

## **SBIR CALCULATIONS**

The Small Business Innovation Development Act fee (SBIR or SBR) is calculated as 2.5% of the total dollars provided to the Agreement.

### **How to Calculate:**

- To NET a specified figure to the Cooperator and pay the SBR as an add-on amount out of the funding CRIS:

$$\text{\$ (total agreement amount) x .025 = \$ SBR (rounded to nearest \$)}$$

e.g., \$75,000 x .025 = \$1875 SBR. The RMIS entry would be \$75,000 and RMIS would calculate the SBR.

- To DEDUCT the SBIR from the total dollars allotted to the research project:
  - a.  $\text{\$ (total amount allotted to project) } \div 1.025 = \text{\$ NET to the project (rounded to nearest dollar)}$
  - b.  $\text{\$ (NET to project) x .025 = \$ SBR (rounded to nearest dollar)}$
  - c. **NET plus SBR should equal Total amount allotted to project.**

~ OR ~

- To DEDUCT the SBIR from the total dollars allotted to the research project:
  - a.  $\text{\$ (total amount allotted to project) x 97.5618\% = \$ NET to the project (rounded to nearest dollar)}$
  - b.  $\text{\$ (NET to project) x .025 = \$ SBR (rounded to nearest dollar)}$
  - c. **NET plus SBR should equal Total amount allotted to project.**

$$\begin{aligned} \text{e.g., } \$75,000 \div 1.025 &= \$73,170.73 = \$73,171 \text{ NET} \\ \$73,171 \times .025 &= \$1,829.275 = \$1,829 \text{ SBR} \\ \$73,171 \text{ NET} + \$1,829 \text{ SBR} &= \$75,000 \text{ Total amt.} \end{aligned}$$

~ OR ~

$$\begin{aligned} \$75,000 \times 97.5618\% &= \$73,171.35 = \$73,171 \text{ NET} \\ \$73,171 \times .025 &= \$1,829.275 = \$1,829 \text{ SBR} \\ \$73,171 \text{ NET} + \$1,829 \text{ SBR} &= \$75,000 \text{ Total amt.} \end{aligned}$$

The RMIS entry would be \$73,171 and RMIS would calculate the SBR.

These calculations are very important so that your AD-700 and RMIS are in agreement.

All in-house agreements get assessed SBR. Thus, Reimbursable Cooperative Agreements, and Trust Fund Cooperative Agreements to NOT get assessed SBR.

In addition, amendments to all other agreements (SCA, CA, Grant, ATCA), **where all or a portion of the funds are being provided out of CRADA funds**, does not have SBR assessed. As a general rule, if the accounting code is not for the current fiscal year, then there is no SBR assessed.

Foreign agreements are also assessed for SBR.