**FAQs – Fee**

**Q1.** What is fee?

**A1.** Fee is considered unrestricted funding for the grant. It is the DOE’s way to attract for-profit businesses to participate in the SBIR/STTR program.

**Q2**. How is fee calculated? Isn’t it a percentage of the total grant?

**A2**. No. Fee is calculated as a percentage of your total direct and indirect costs. Your total costs plus this fee becomes your grant total.

**Q3**. Is there a limit on the fee percentage?

**A3.** Yes, according to the FOA, the fee percentage cannot exceed 7%.

**Q4**. Can I submit a budget with no fee?

**A4.** You can, but that sends the DOE a signal that offering a fee may not be attractive to for-profit firms.

**Q5**. Can for-profit subcontractors and vendors include fee in their budgets?

**A5.** Yes, according to the FOA.

**Q6**. What’s the difference between fee and profit?

**A6.** Fee is a budgeted amount that represents unrestricted funding. Profit is what you have left over after paying expenses for the job. On one hand, you can preserve all of your fee as company profit, or you can spend your fee dollars to subsidize project costs, indirect costs, or unallowable costs, resulting in no profit.

**Q7**. How is the fee paid out?

**A7.** You are permitted to “draw down” funds from a U.S. Treasury account to cover your project cost as you go. Project costs, plus the application of indirect rates and fee can be part of that draw down calculation.

**Q7**. Is this a fixed fee?

**A7.** Yes, you are entitled to draw down funds representing the entire fee amount estimated in your budget.

**Q8**. Part of the application wants a figure for “Program Income”. Is that the same as fee?

**A8.** No, according to the FOA, fee is not program income. Program Income should be “zero”.