



NJIF & Innovation Presentation

Michelle Martinez at Michelle.Martinez@njeda.gov

Monika Athwal at Monika.Athwal@njeda.gov

*Fostering Inclusive Innovation and
Entrepreneurship in New Jersey*

Table of Contents

About NJEDA

Support for Early-Stage Innovation

NJIF Overview & Program Structure

Application Process & Eligibility

Looking Ahead: Cohort II Applications

Appendix: Other Financing & Incentives

About NJEDA

Mission

The New Jersey Economic Development Authority (NJEDA) grows the state's economy and increases equitable access to opportunity by supporting high-quality job creation, catalyzing investment, and fostering vibrant, inclusive community development. NJEDA works in partnership with a diverse range of stakeholders to implement programs and initiatives that improve quality of life, enhance economic vitality, and strengthen New Jersey's long-term economic competitiveness.

Vision

To make New Jersey a national model for sustainable and equitable economic growth by investing in communities, fostering innovation, and supporting industries with high quality-jobs in the State.

Economic Transformation

Delivering on Governor Murphy's Vision for a Stronger and Fairer Economy

Mission Statement

The Economic Transformation (ET) Division works to support high-quality job creation, catalyze private investment and build the country's most diverse innovation ecosystem in NJ. The division provides value added business engagement and products aimed at commercial businesses within the strategic sectors.

Strategic Sectors

Established Under Governor Murphy's Economic Recovery Act



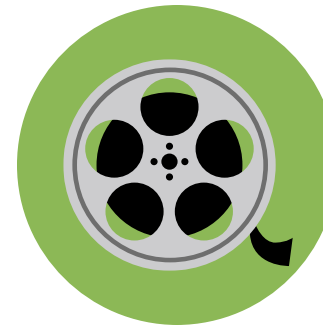
Advanced
Manufacturing



Offshore
Wind



Clean Energy



Film & Digital
Media



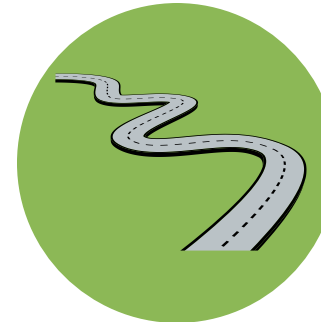
Financial & Professional
Services



Non-Retail
Food & Beverage



Life Sciences



Advanced Transportation
& Logistics



Technology

Financing & Incentives

Grants

- Catalyst Seed Grant (CSIT)
- SBIR Matching (CSIT)
- Clean Tech Seed Grant Program (Round III)
- Maternal Infant Health Seed Grant
- NJ Innovation Fellows (NJIF)
- Technology Business Tax Certificate Transfer Program (NOL)



Investment Tools

- Angel Investor Tax Credit
- Angel Match Program
- Bond Financing
- Venture Fund Investments
- NJ Innovation Evergreen Fund
- Net Operating Loss
- Edison Innovation Fund
- NJ Accelerate



Community

- NJ Founders and Funders
- NJ Ignite
- NJ Aspire
- NJ Cells
- NJ Entrepreneur Support
- NJ ZIP
- NJ Cool
- Salem County Energy Sales Tax Exemption
- Garden State C-Pace



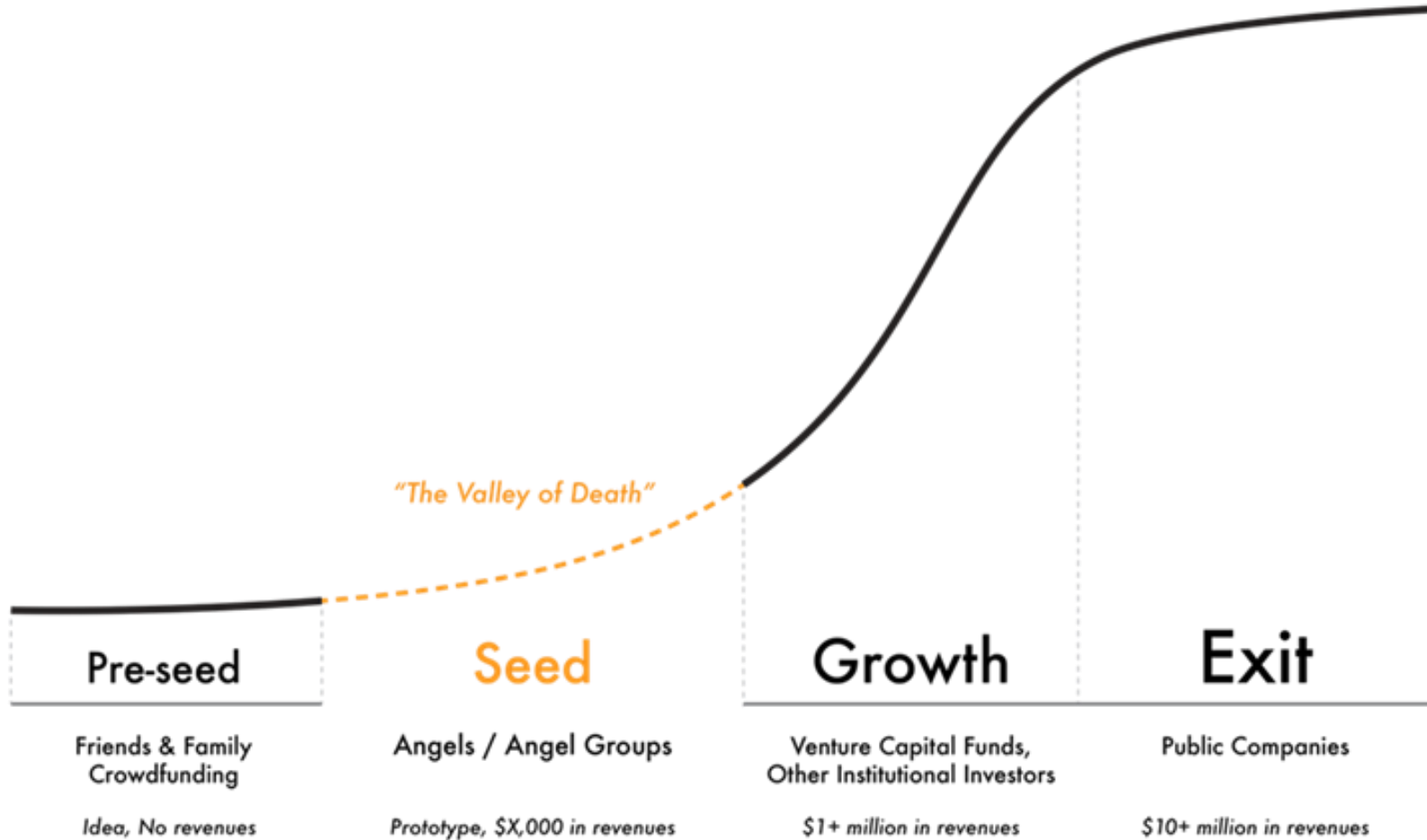
Organizations

- Commission on Science, Innovation and Technology (CSIT)
- Small Business Development Centers (SBDCs)
- Maternal & Infant Health Authority (MIHIA)



Early-Stage Support

Women and minority led start-ups historically have received less than 2% of VC funding. NJIF helps bridge the phase where early-stage entrepreneurs face the most significant financial challenges.



NJ Innovation Fellows Program

Provides
nondilutive seed
funding to serve
as income-
replacement for
entrepreneurs



Delivers
mentorship and
skill development
opportunities



Facilitates
economic growth
and job creation



Invests
in diverse talent
critical to New
Jersey's vibrant
innovation
ecosystem



Targets
innovative
sectors



From a \$10M State appropriation, approved teams can compete to receive up to \$400,000 in startup capital for innovative business ideas.

NJ Innovation Fellows: Award Breakdown

Base Award \$200,000

- Each fellow receives a competitive salary to support their entrepreneurial journey and enable focus on their venture full-time.

Bonus Awards up to \$200,000

- Entrepreneurs that verify residency in a designated opportunity zone in New Jersey.
- Entrepreneurs who self-certifies as a diverse entrepreneur.
- Graduate of a New Jersey college or university (including 2-year and 4-year school) in the State.

Fellows gain access to income replacement capital of up to \$400,000

Mentorship

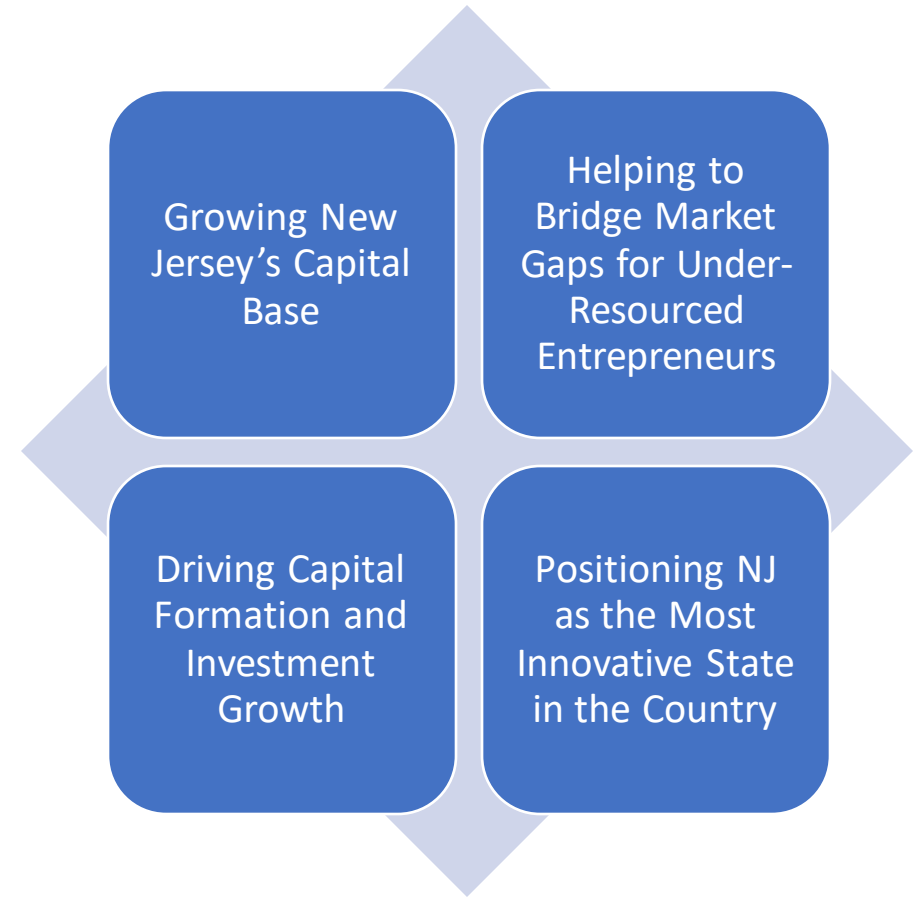
Innovation fellows will engage in a dynamic mentorship program, conducted in collaboration with the New Jersey Innovation Institute and Rowan University. This program will offer comprehensive technical training via a curated general operations curriculum. Additionally, fellows will have access to a diverse array of subject matter experts who will provide invaluable mentorship and guidance to teams, fostering innovation and growth. Focus areas include:

- Managerial finance, accounting, & financial statements preparations
- Human resources development & management
- Marketing & customer development
- Product design, development & management
- Vision mapping
- Capital sourcing & raising
- Buyer personas
- Business model design
- Contracts & business structures (legal studies)



Diversity Finance Advisory Board (DFAB)

The Diversity Finance Advisory Board (DFAB) works to increase access to institutional capital for women- and minority-owned startups. The board provides knowledge, guidance, and insights on ways to best increase capital, access, and investments in New Jersey's diverse entrepreneurs.



Application Process

Application evaluation is streamlined and consists of three parts:

- Qualifying questionnaire
- Completeness check (document checklist)
- Competitive scoring
- 30-day registration period

All applications to the Program, must include the following documentation:

- Online application
- Business plan in pitch deck format
- Organizational chart and resumes
- Personal address documentation
- Proof of NJ gross income tax paid



Qualifying Questionnaire

- 1 Does the applicant have at least three entrepreneurs that are willing to give full-time commitment to building its business over the next two years?
- 2 Does the applicant have a written business plan?
- 3 What fraction of applicant's leadership team of entrepreneurs (x/n) are first-time entrepreneurs?
- 4 What total equity interest in the applicant do the entrepreneurs have?
- 5 Does the entrepreneur leadership commit to program mentorship requirements?
- 6 Have the members of the team paid gross income tax to New Jersey within the last sixty (60) days?
- 7 Does the Entrepreneur Leadership commit to program mentorship requirements?
- 8 Do all members of the team commit to pay gross income tax to New Jersey for the two years following the initial disbursement of the fellowship grant?

Competitive Review

Diversity & inclusion will support and guide the company's buildout and development plans.

29 Possible Points

**Business Plan
Scoring:**

0 – 5 points

**Operations
Scoring:**

0 – 4 points

**Management
Scoring:**

4 – 20 points

30-Day Registration Period

If approved, applicants are required to register their business with the State of New Jersey within thirty (30) days of notice of their award letter.

- Formation and Business Registration Documents of Newly Formed Business
- A Valid NJ Tax Clearance Certificate
- Payroll Service Provider Contract (e.g., Bank payroll agreement & accounts, Payroll software subscription, Payroll service provider agreement)



Ongoing Compliance

Awarded grants will be disbursed equally over the course of eight (8) quarters following EDA Board approval and upon submission of quarterly deliverables:

- A Certified Organizational Chart
- Quarterly and Annual Financial Statements
- Verification of NJ Gross Income Tax Withheld and Paid for all entrepreneur leaders
- Evidence of Mentorship Engagement
- Evidence the Business Remains Located in an Eligible Municipality
- Individual Tax Filings



Inaugural Program Highlights



Aggregate award amount of \$3.6 million in the form of income replacement grants to 10 teams



\$1.7M in bonus funding, with an average total award size of \$350K



30 New Jersey jobs created

NJ Innovation Fellows Inaugural Cohort



AbilityHub
Disability Wellness



AnataMed
Medical Device



Fire Start Productions
Film and Digital Media



Hello Boss
Digital Marketing



Klick Studios
Film and Digital Media



Liv Again Wellness
IV Hydration Therapy



My Fit Plate
Nutrition and Lifestyle



Planthopper
Ag Tech/Life Sciences



Quarks Advantage
AI Small Business Consulting



Thrivio Health
Telemedicine/Life Sciences

Cohort II Application

Opens 10:00 AM, Monday, May 6th, 2024

Closes 5:00 PM, Friday, July 5th, 2024

Important Program Material:

- [NJ Innovation Fellows \(NJIF\) – NJEDA](#)
- [New Jersey Innovation Fellows Board Memo – NJEDA](#)
- [New Jersey Innovation Fellows Applicant Eligibility – NJEDA](#)
- [New Jersey Innovation Fellows Program Frequently Asked Questions \(FAQ\) - NJEDA](#)
- [New Jersey Innovation Fellows Grading Criteria and Competitive Scoring Rubric – NJEDA](#)

There is a \$250 non-refundable application fee due at the time of application submission. Questions concerning the NJIF Program should be submitted to NJInnovationFellows@njeda.gov.

Ecosystem Support

Entrepreneur Support Program (ESP) (Loan Guarantee)

- Provides a guarantee of up to 80% to investor loans/convertible notes advanced for working capital to businesses.. Multiple guarantees per company up to the \$400,000 cap may be eligible.

www.njeda.gov/njesp/

NJ: Ignite (Incubator)

- Supports entrepreneurs by providing rent support grants to early-stage technology and life sciences companies in NJ collaborative workspaces.

[NJ Ignite – NJEDA](#)

NJ CELs (Clean Energy Loans)

- Provides loans between \$250,000 and \$10 million to small businesses seeking to finance clean energy projects.

[Clean Energy - NJEDA](#)

Supporting early-stage entrepreneurs / academics developing (R&D)
innovation-based companies

Encouraging collaboration and connectivity between industry and

Grant Programs - www.njeda.com/csit	Eligibility Requirements (Standard)	Timeline
Catalyst R&D Voucher - \$40K	<ul style="list-style-type: none"> < 50 employees 50% of employees work in NJ 1-2 Full-time employees < \$5 million in prior yr. revenue In good standing to do business in NJ (Tax Clearance) 	Rolling
Catalyst Seed Grant - \$75K - \$150K		Yearly 2 nd Quarter
Clean Tech R&D Voucher - \$40K		Rolling
Clean Tech Seed Grant - \$75K		Yearly - 4th Quarter
Clean Tech Pilot Demonstration - \$250K		Yearly - 2 nd Quarter
Food / Agriculture Seed Grant - \$75K		Yearly - 2 nd Quarter
Maternal / Infant Health Seed Grant - \$75K		Yearly - 1st Quarter
SBIR/STTR Matching Grant - \$25K - \$50K		Rolling

Investor Support

130+
technology
businesses

\$113M+
in tax credits

\$900M+
in investment

3000+
Angel investments



Angel Match Program
(Direct Investment)



Angel Tax Credit (ATC) Program
(Refundable Tax Credit)

Other Strategic Investment Support



Semi-annual networking forum to facilitate warm introductions between New Jersey's emerging companies and the investor community. The day-long event hosts a series of 10-minute 1-on-1 meetings between startup founders and appropriate investors based on investment thesis.

Next event is Spring 2024.



National angel investor group dedicated to funding high-potential, women-led businesses. NJEDA hosts office hours once a month for companies to pitch and receive feedback from members in the New Jersey Chapter.



HAX – Hands-on
Venture Capital for
Hard Tech

njeda.gov/founders-and-funders
njeda.gov/goldenseeds



Helix NJ Health and
Life Science Exchange

Seed Funds

Life Sciences Fund



A \$60M SSBCI allocation for the Life Sciences Fund will go to Investment Manager(s) for investments into NJ-based Healthcare and Life Sciences companies.

SEDI Seed Fund



\$20M SSBCI allocation for investment into Socially and Economically Disadvantaged Individual (SEDI) owned businesses. The basis for eligibility can be geographic, demographic, or socioeconomic.

Black & Latino Seed Fund



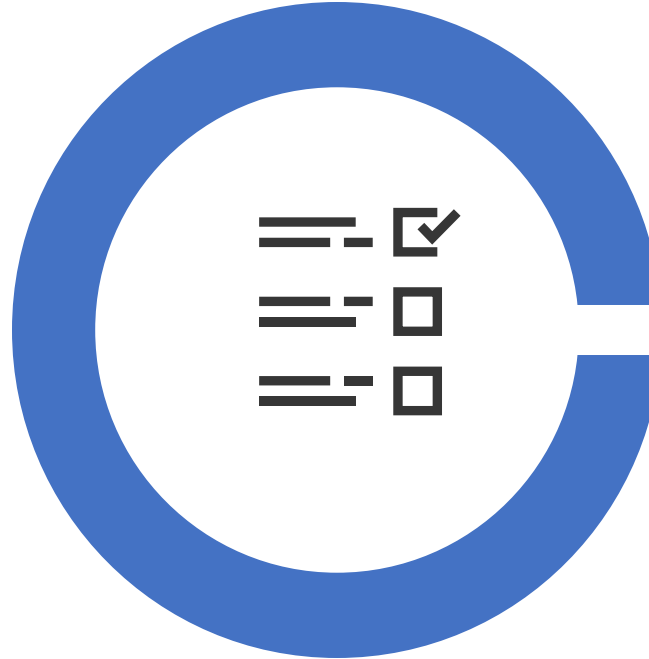
Pursuant to the results of Rutgers Disparity Study, investments of up to \$20M will go into Black & Latino owned businesses, managed between 1-3 investment manager(s). Funded through budget appropriations of \$10M for 2 consecutive years.

NJ Innovation Evergreen Program



STEP 1: RAISING \$500M TO CAPITALIZE THE NJIEF

- Public money, raised through tax credit auctions, will be matched by private funds, putting the fund at over \$500M



STEP 2: SELECTING QUALIFIED VENTURE FUNDS

- Partners with institutional investors that can be formally approved for access to the NJIEF



STEP 3: INVESTING IN COMPANIES

- A qualified venture fund can access up to \$10M per year in matching funds from Evergreen to invest into NJ-based companies