



Catalyst Seed R&D Grant Program Frequently Asked Questions (FAQs) Updated 1/5/22

1. **Regarding the required documentation for the application, where can I find the attached templates for the following? Budget and Milestone Template.**

The templates will be attached as a link in Section 5 of the application as well as in the Required Documents Section. The document will also be uploaded on CSIT program page following the webinar at <https://www.njeda.com/about/Public-Information/CSIT/Catalyst-Seed-R&D-Seed-Grant-Program>

2. **Do provisional patents count towards IP?**

Yes, please include information on provisional patents, they will count towards the IP consideration.

3. **Will you send out the slides after the presentation?**

A recording of the webinar and the presentation slides will be uploaded on the CSIT program page at <https://www.njeda.com/about/Public-Information/CSIT/Catalyst-Seed-R&D-Seed-Grant-Program>

4. **What is the estimated award/project start date?**

We anticipate making awards in the 4th quarter of 2022.

5. **We note that the technical qualification requirements are to have at least one full time employee located in NJ. We are hiring our first employee in February is the requirement at the time of application or time of award?**

The requirement is to have the employee located in NJ at the time of application.

6. **For the company website, we own our domain but are trying to keep details offline while we capitalize the company. Is the existence of the website part of the scoring process?**

No, the existence of a company's website is not considered as part of the scoring process.

7. Can one small business submit two different applications for two different technologies?

Yes, a company may submit an application for two separate projects and technologies.

8. If my company was recently awarded a CSIT grant, can we apply for the Catalyst Seed R&D grant.

Yes, your company is eligible to apply for a Catalyst Seed R&D grant.

9. For the >50% of work to be done in NJ, is there a prejudice as far as whether that is technical or commercial?

No, there is no prejudice on whether the work conducted in NJ is technical or commercial.

10. Since funding amount is limited to \$75k and 150k, this cannot fund a full-time employee on this project alone for 12 months including other project costs. Is the requirement for work done in NJ allowed to be funded by other sources such as federal grants?

Yes, the work done in NJ can be funded from other sources such as federal grants.

11. What reasonable accommodations do you plan on providing for individuals with intellectual disabilities.

If an applicant identifies as an individual with a disability, please send an email to csit@njeda.com with details and arrangements will be made for accommodation.

12. For the Milestones and Budget worksheet; under "External Service" it states Type. What are the Types that are valid to list?

External services refer to the costs associated with using outside parties or vendors for specific activities under the project. These can include but not limited to (i) expenses associated with testing costs done by 3rd parties or (ii) expenses associated with using a core facility/makerspace or independent lab

13. Does a company need a New Jersey presence to apply for the Catalyst Seed R&D Grant or can we move there after receiving funding?

In order to be eligible for the Catalyst Seed R&D grant program at the time of application the company must meet the following criteria:

- Have a minimum of one (1) full-time equivalent employee (working 35 hrs. per week)
- 50% or more of the work of its employees and contractors conducted in NJ (calculated on an FTE basis – 35 hrs. per week)
- 50% or more of employees/contractors live or pay withholding taxes in NJ

14. Can a university faculty member apply for the Catalyst Seed R&D grant program?

The eligibility requirements are that applicants for the Catalyst Seed R&D grant program are that at the time of application each Applicant company to the Catalyst Seed R&D Grant Program must meet the following eligibility criteria:

- Authorized and in good standing to conduct business in New Jersey as evidenced by New Jersey business registration and current New Jersey tax clearance certificate
- Have a minimum of one (1) full-time employee (working 35 hrs. per week)
- 50% or more of the work of its employees and contractors conducted in NJ (calculated on an FTE basis – 35 hrs. per week)
- 50% or more of employees/contractors live or pay withholding taxes in NJ
- Company has less than two million dollars (\$2,000,000) in prior third-party funding over its lifetime (excluding government grants)
- Company has less than two hundred and fifty thousand dollars (\$500,000) in previous calendar year sales revenue
- This program is not for funding research work at an academic institution; however, a faculty member may be able to be a subcontractor on a proposal by an eligible applicant.

15. Our company has received a sub-awardee from another company that has received a federal grant. Is the amount of subaward of the federal grant to our company excluded from the revenue determination for eligibility for the Catalyst Seed R&D Grant Program?

- The eligibility requirement states that a company must have less than \$500,000 in previous calendar year sales revenue.
- The amount of the federal grant that is a subaward to your company is not included as part of the revenue total for your company.
- The eligibility requirements state that an applicant must have less than two million dollars (\$2,000,000) in prior third-party funding over its lifetime (excluding government grants)

16. \$500,000 in prior year revenue in order to eligible to apply. Our company has slightly more than \$500,000 of revenue on an accrued basis and on our federal tax return for the prior year but on a cash basis we have revenue of less than \$500,000. Are we eligible to apply?

The federal tax return is used as the source of revenue verification for the Catalyst Seed R&D grant program.

17. We have a question regarding the eligibility criteria for the Catalyst Seed R&D Grant Program. Can you please provide specifics related to the criteria of Less than \$2 million in 3rd party funding over its lifetime? Please clarify what falls in this category. For example, do loans count.... PPP/EIDL count? How about convertible notes? Also what is the timeframe we should be assessing?

The 3rd party funding includes debt and equity financing on the applicant's balance sheet at the time of application and is counted from the establishment of the company to the date of application for the grant. Debt financing from COVID related programs – PPP and EIDL can be excluded from the debt calculation.

18. Is the one full time employee working 35 hours per week as part of the eligibility requirements also calculated on a full-time equivalent basis as with the requirement for 50% or more of the work of its employees and contractors conducted in NJ (calculated on an FTE basis – 35 hrs. per week).

Yes – both may be calculated on a full-time equivalent basis.

19. My business is a Delaware C-Corp and I am not sure how to go about applying. The business is based in NJ and all the employees are based in NJ.

A company that is located in New Jersey and has all of its employees located in New Jersey is eligible to apply for the Catalyst Seed R&D grant.

Please review the Notice of Funding for the required documentation:

- Completed online application
- Demonstration evidence that proof of concept has been achieved for the project. Submit one of the following:
 - Description of the proof-of-concept results
 - Published paper outlining results achieved
 - Successful completion of a federal SBIR/STTR grant or contract related to the project
 - Confirmation documentation from a university tech transfer office if the project relates to technology that has been developed at a university
- Employee information as appropriate for applicable company structure and staffing -i.e. most recent NJ WR-30 (W2 employees) or 1099 (contractors), Shareholder Agreement or K-1, or offer letters. Please note that if a Professional Employment Organization (PEO) is utilized, the Applicant must submit confirmation of PEO-A form issued by the NJ Department of Labor (DOL), These confirmations are issued on an annual basis and are valid for a year. See <https://www.nj.gov/labor/ea/employer-services/leasing-companies/> for additional information on PEOs.

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- Summary of most recent Internal Payroll (Q4 2020 or Q1 2021) indicating each employee name and number of hours worked per week.
- Most recent Company tax filing; Federal 941 and either an NJ-CBT-100 (Schedule A), Form-1065 or Form -1040 (Schedule C) or whichever is applicable to the organizational form of your business, showing the total Gross Receipts or Sales for the year.
- Current NJ tax clearance certificate (listing New Jersey Commission on Science, Innovation and Technology). See https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp. All certificates listing another state agency will be rejected.
- If applicable, copy of Women and/or Minority owned business NJ certification <https://www.njportal.com/DOR/SBERegistry/Default/>
- Signed Application Certification
- Completed CSIT Legal Debarment Questionnaire

20. Our company is still in the process of completing our Minority Ownership Certification. It appears that the certification will not be issued by the submission deadline, but, I would like to proceed and submit the application. Please advise.

Due to COVID-19, it may take longer than usual for Applicants to obtain certain NJ state documents (NJ Business Registration Certificate, NJ Tax Clearance Certificate, and Minority/Woman Owned Business Certification)

If an Applicant has attempted to obtain the missing NJ state documents and has not received them by the extension time, the Applicant may provide correspondence or receipts that demonstrate the attempt to obtain the missing documents to enable the application to be deemed complete for scoring purposes only.

The required missing documentation MUST be submitted before any recommendation of an award will be made with respect to that Applicant.

21. Is a NJ university license agreement required if our company has not entered into any such agreements to date?

If your company has not entered into an license agreement with a NJ university you may still apply for the Catalyst Seed R&D grant. No documentation from a NJ university is required in that instance.

22. If our company was formed in 2020 and we have not yet paid taxes what documentation should we provide? Also, if we have no paid employees what documentation is required?

If taxes have not yet been paid for the company, please provide a signed letter from the CEO indicating what the level of revenue was in the last year. If there are no paid employees for the company please provide documentation that indicates that the

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individuals are working without compensation – for example: company formation documents showing shareholders, offer agreements to individuals, K-1, or letter indicating that individuals are working for no cash compensation. Indicate the number of hours worked per week for each individual.

23. Will copies of the webinar presentation and slides be made available?

Yes, the webinar presentation and slides can be currently found on <https://www.njeda.com/csit/> and is posted on the website immediately after the scheduled webinar presentation.

24. Do you know how long it takes to get a NJ Tax Clearance Certificate?

The time it takes to obtain a NJ Tax Clearance Certificate varies between 2-4 weeks.

25. Is it a requirement that an Applicant for the Catalyst Seed R&D Grant have a prior federal SBIR or STTR grant or contract?

No, an Applicant does not have to have a federal SBIR or STTR grant or contract to apply for the Catalyst Seed R&D Grant.

26. Do company founders count when completing information on company employees?

Yes, when completing the employee information include company founders that are spending time working on the company. Founders that are strictly investors should not be included.

27. What documents are acceptable for demonstrating proof of concept?

Documents (only one needs to be submitted) that are acceptable for proof-of-concept demonstration include:

- Description of the proof-of-concept results.
- Published paper outlining results achieved.
- Successful completion of a federal SBIR/STTR grant or contract related to the project.
- Confirmation documentation from a university tech transfer office if the project relates to technology that has been developed at a university.

28. Is a food distribution company able to apply for the Catalyst Seed Grant program as non-retail food and beverage?

If the company is working on an R&D project in at least one of the following targeted industries, they are eligible to apply for the Catalyst Seed Grant program:

- Advanced Manufacturing
- Advanced Transportation and Logistics
- Film and Digital Media
- Life Sciences – Therapeutic Drug Development
- Life Sciences- Other
- Non-Retail Food and Beverage
- Professional and Financial Services
- Technology

29. Is Artificial Intelligence included as part of the definition of Technology

Yes, Artificial Intelligence is included as a part of the definition of Technology.

30. How often does a company need to report the economic impact reports?

A company is required to provide a completion report only ONCE upon completion of the program. All grant awardees must commit to annually report economic impact data to CSIT upon the completion of the program for a period of five (5) years as will be outlined in the Grant Agreement and by periodically submitting an Economic Impact Questionnaire.

31. Is it necessary to list each investor?

Yes. All investors must be listed in the application. Government granted awards are not required to list.

32. Does the company CEO count as part of the employee verification?

Yes. The company CEO does count as part of the employee verification.

33. I am having difficulty accessing the online application. What should I do?

If an Applicant is having trouble accessing the online application, they should send a detailed email to CSIT@njeda.com stating the particular issues.

34. Can funds be used for marketing?

No more than 30% of the budget proposed for the Project, in the aggregate, may be spent on:

- Marketing and customer discovery specific to the innovation
- IP patent prosecution and licensing-related expenses
- Conference registration fees

35. I am a sole proprietor, what type of documentation will I have to provide to show that my business is registered in NJ?

As a sole proprietor, a company will have to provide,

- New Jersey tax clearance certificate listing the New Jersey Commission on Science, Innovation and Technology.

36. I received a patent for my technology from another country. Where do I indicated that on the application?

In the application, Applicants can list the country location on the same line as the Patent number (e.g. Patent number 1234567 (Canada)).

37. Can I apply for a Catalyst grant multiple times with various projects?

No. A company can only apply for one Catalyst grant.

38. Can a business set up as a sole proprietorship get a NJ Tax Clearance Certificate?

Yes, a sole proprietorship can receive a tax clearance certificate. First, you need to be a registered business in state of New Jersey and obtain a Business Registration Certificate. You can register your business in NJ, here: [State of NJ - Department of the Treasury - Division of Revenue Getting Registered](#)

To obtain a tax clearance, follow these steps.

- A. If you are a registered company with an EIN, create an account and use the Business Services Portal here for the tax clearance cert: [State of New Jersey: Premier Business Services](#). If you have any questions regarding the portal, please email Taxation, at the email BusinessAssistanceTC.Taxation@treas.nj.gov
- B. If you are a registered company through your Social Security Number (not an EIN number), the Company must manually complete an Application for Tax Clearance

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– Business Assistance and Incentives. Please request a form from CSIT@njeda.com. Once the form is completed, email it to BusinessAssistanceTC.Taxation@treas.nj.gov