



New Jersey Commission on Science, Innovation and Technology **Round 2 Catalyst Research and Development Pilot Seed Grant Program** **Notice of Funding Availability**

The New Jersey Commission on Science, Innovation and Technology (“CSIT”) expects to launch an online application for Round 2 Catalyst Research and Development Pilot Seed Grant Program (“Program”) at 9am am on June 5, 2023 at www.njeda.com/csit . Application will be open through July 14, 2023 at 5 pm. The Program has a total budget of \$1,500,000 for grant awards of up to \$150,000 each. This is a competitive grant. No application, transaction, or termination fees will be collected by CSIT for this program. Decisions on this grant award are expected to be made by 4th Quarter of 2023.

Purpose

The Program helps early-stage innovation-based New Jersey (“NJ”) companies accelerate development of technologies to transform new discoveries from research stage into commercially viable products and services. The grant funds will enable applicants to make significant progress and impact on their commercialization outcomes.

The Program focused on companies conducting research and development or testing technologies in the following target area:

- Life Sciences (e.g., Therapeutic drug discovery). Medical devices are NOT eligible for this grant.

All applicants for the Program must provide a proof of concept for their project proposed for funding.

Overview

The Program has a total budget of \$1,500,000 will award grants of up to \$150,000 to support ten (10) early-stage innovation-based NJ companies that have the potential to impact the Life Science Industry. Total funding for the Program will come from CSIT’s Fiscal Year 2023 budget. The Program will be implemented by CSIT.

Program Details

Grants will be awarded on a competitive basis, with awards going to the 10 highest scoring applicants, provided the minimum score is met.

Applicants can only submit one (1) application for this grant. Multiple applications from the same company will NOT be accepted. If an applicant submits two applications, they must select which application moves forward. Applicants that apply to the Round 2 Catalyst R&S Pilot Seed Grant

Program are not eligible to apply for the CSIT Food and Agriculture Research & Development Pilot Seed Grant Program.

Each approved grant will be valid for a period of twelve (12) months effective from date of the execution of the grant agreement. Any unused approved grant amounts will be cancelled after the twelve (12) month period and returned to CSIT program budget for future use. An extension for up to an additional three (3) months may be permitted at the discretion of CSIT.

Please note that CSIT grant applicants may adjust and resubmit grant budgets by the program resubmission deadline if;

- i. Submitted budget at the time of application exceed the approved grant amount
- ii. Submitted budget at the time of application includes ineligible budgetary items as stated in notice of funding
- iii. Submitted budget at the time of application exceeds the 30% marketing threshold as stated in the notice of funding
- iv. Submitted budget at the time of application does not include printed name of preparer and date.

Applications with incorrect budgets that are not revised by the resubmission deadline will be declined.

Eligibility

Each applicant to the Program must meet the following eligibility criteria at the time of application and must maintain eligibility during the entire review period in order to be eligible for an award:

- Be authorized and in good standing to conduct business in NJ as evidenced by a current NJ tax clearance certificate addressed to New Jersey Commission on Science, Innovation and Technology. All certificates listing another state agency will be rejected.
- Have no more than 25 full-time equivalent (“FTE”) workers (FTE calculated on a 35-hour work week) at time of application.
- Have a minimum of one (1) full-time worker (35 – hour work week). A worker may be the founder can be counted as a worker, and a worker may be paid or unpaid.
- 50% or more of the cumulative hours worked by all workers, founders, and contractors must be conducted in NJ (as calculated on an FTE basis of 35 hours per week).
- Have less than or equal to two million dollars (\$2,000,000) in 2022 calendar year sales revenue (excluding grant revenue).

Eligible Uses

The grant funding can be utilized for project research and development activities.

Ineligible Uses

The following expense categories are ineligible for funding by this grant:

- Direct services to individuals or organizations
- Manufacturing of products for sale or commercial use
- Real estate rental expenses
- Patient clinical trial expenses
- Construction costs
- Travel, entertainment, and other similar expenses
- Allocations of general overhead expenses
- Any expenditures incurred before the “Effective date”, the date representing the last date of execution of the Grant Agreement by the respective Parties
- Any expenses for equipment and materials that Applicant does not use for the Project during the Project period
- Fees related to Conferences not associated with the Project

In addition, 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

Disbursement of funds

First disbursement of 80% of grant award at the Execution Date of Grant Agreement. Second disbursement of 20% after Final Report is submitted.

Application Process

All applications to the Program must include the following documentation:

- a. Completed online application
- b. Demonstration evidence that proof of concept has been achieved for the project. Submit **one or more** 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

- c. Budget and Milestone Proposals (Excel templated embedded within online application)
- d. 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 New Jersey 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.
- e. Summary of most recent Internal Payroll (Q4 2021 or Q1 2022) indicating each employee name and number of hours worked per week.
- f. 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.
- g. Current NJ tax clearance certificate addressed to CSIT (Tax clearance must be dated May 15,2023 or after. https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp DUE No Later Than October 6, 2023 or application will be declined.
- h. If applicable, copy of **Women and/or Minority** owned business NJ certification <https://www.njportal.com/DOR/SBERegistry/Default/> DUE No Later Than October 6, 2023 or relevant bonus points will not be awarded.
- i. If applicable, copy of **Veteran** owned business NJ certification DUE No Later Than October 6, 2023 or relevant bonus points will not be awarded.
- j. If applicable, a copy of **Executed University License Agreement** with University. DUE No Later Than October 6, 2023 or relevant bonus points will not be awarded.
- k. Complete Application Certification
- l. Completed CSIT Legal Debarment Questionnaire
- m. For companies with a dba “doing business as”, CSIT requires proof of NJ registration reflecting the same.

The following steps detail the application submission process:

- A document completeness review will be done as applications are received
- Applicants with missing documentation will be notified and given 10 business days to submit

missing documents. If the application remains incomplete by the resubmission deadline, it will be declined.

- Only complete applications will be evaluated and scored. Applicants must submit the NJ tax clearance certificate by the start of the application scoring period. Otherwise, the application will be declined. For any bonus category, if the documentation is not received by the application scoring period, bonus points will not be applied.
- Applicants that have indicated in the application that they are a minority/women/veteran owned business and did not submit the NJ state certification at the time of the application will also have up to the start of the Application Scoring period to submit the document. If the documentation is not received by that point, bonus points will not be applied to the application.
- An evaluation committee comprised of CSIT and NJEDA staff will review and assign a score to each application, after receiving qualitative input from Subject Matter Experts (“SMEs”). As part of the process, all applicants with complete applications will be invited, but are not required, to make a brief presentation about their project and submit it to the evaluation committee and SMEs.
- In order to be eligible for funding, an applicant must receive a minimum score of 70 out of the available 100 points on the standard scoring criteria before allocation of bonus points.
- Denied applications may appeal CSIT’s declination within the timeframe provided in CSIT’s declination letter. Appeals must be written and include an explanation as to how the applicant has met the application criteria.

Grants will be awarded to 10 applicants with the highest overall scores, provided the minimum score is met, until program funds are expended.

Scoring

Scoring Criteria – All applicants must achieve a minimum score of 70 in the following criteria to be eligible for a grant.

- Innovation (up to 30 points)
- Market opportunity (up to 10 points)
- Implementation plan -budget and milestones (up to 20 points)
- Go-to-market strategy (up to 10 points)
- Economic and community impact (up to 10 points)
- Team (up to 20 points)

Bonus Points – Bonus points will be awarded to applicants that achieve the minimum score plus the following:

- Company is using technology initially developed at a NJ university, under an executed license agreement with such university (15 points)
- NJ certified women-owned business (10 points)
- NJ certified minority-owned business (10 points)
- NJ certified veteran – owned business (10 points)
- Primary place of business/research & development located within an opportunity zone eligible census tract or government restricted municipality (5 points)
- Has not previously received a CSIT grant or voucher (10 points)

Board Approval

The CSIT Program Committee will review scored applications and make funding recommendations to the CSIT board. The CSIT Board will make final decision on grant award winners.

Fees

No fees application, transaction, or termination fees will be collected by CSIT for this program.

Additional Information

Other Terms & Conditions

For three years from the date of the grant Agreement, workers and consultants who continue working on the project must conduct 50% of their work in a NJ location. Failure to comply will trigger a requirement that the awardee make full re-payment of the grant award.

All grant awardees must report economic impact data to CSIT upon the completion of the project and an additional two years after project completion by submitting an Economic Impact Questionnaire provided by CSIT.

All grant awardees are encouraged to commit to participate in one (1) in-person interim site visits from the CSIT/EDA team for update on project.

All grant awardees are encouraged to commit to participate in future CSIT/NJEDA alumni activities, such as serving as a panel member or participating in interviews about program experience.

Confidentiality

Applications received will be reviewed only by staff of CSIT and NJEDA and SMEs. SMEs will execute NDAs prior to reviewing the applications. All applications submitted will be subject to requests for disclosure, including but not limited to requests pursuant to the Open Public Records Act ("OPRA") N.J.S.A. 47:1A-1 et seq. If the applicant believes that information contained in its proposal merits confidential treatment pursuant to OPRA, any such purportedly confidential information submitted to CSIT must be specifically identified and marked by the applicant as such.