



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

Notice of Funding Availability (NOFA)

New Jersey Innovation Fellows Program (NJIF) Application

REVISED AS OF May 3, 2023 EFFECTIVE IMMEDIATELY

Revision extends the application deadline from May 15, 2023 5PM to June 19, 2023 5PM

The New Jersey Economic Development Authority will begin accepting applications for the New Jersey Innovation Fellows Program at 10:00 AM on Tuesday, March 14, 2023 and closes on Monday, June 19, 2023 at 5PM. The application can be accessed at <https://www.njeda.com/new-jersey-innovation-fellows-program/>.

Purpose

The New Jersey Economic Development Authority ("NJEDA" or "Authority") is seeking applications from qualified applicants for the New Jersey Innovation Fellows Grant Program ("NJIF"). The program aims to provide income-replacement* funding to teams of entrepreneurs, through the disbursement of fellowship grants in the base amount of \$200,000, and up to \$400,000 with qualified bonuses, thereby facilitating economic growth and job creation in eligible municipalities.

** "Income-replacement" capital is purposed to replace a stream of income an entrepreneur might forego to launch an early-stage business.*

Overview

P.L.2021, c.160 (C.34:1B-370 through 34:1B-373), establishes the New Jersey Innovation Fellows Program, which provides a total of \$10 million in funding to support would-be entrepreneurs,

particularly diverse entrepreneurs, with “income replacement” grants. This resource creates an opportunity for new entrepreneurs to pursue a unique startup business venture with the security of initial income replacement funding in the two-year ideation and formation period of their business.

In accordance with the statute and the NJEDA Board Memo dated November 16, 2022, approved teams will be qualified to receive \$200,000 as a base award with up to \$200,000 in bonuses that would result in a total award of up to \$400,000. See Bonus section below. Furthermore, award disbursements are subject to teams meeting and maintaining compliance milestones. With satisfactory compliance milestones, funding will be disbursed over eight quarters.

Additionally, the NJIF legislation requires all members of the approved entrepreneur team (each an “entrepreneur fellow”) to participate in a mentorship program. The Authority will seek to execute a Memorandum of Understanding (MOU) with third-party partners, to help structure and administer a State-wide mentorship program.

Entrepreneur fellows will be required to participate in the mentorship programs facilitated by the third-party partners as a condition of their grant award, which will incorporate virtual and in-person meetings. Mandatory attendance of the mentorship program will be required throughout the two-year duration of the fellowship program.

The initial general-operations curriculum may train the entrepreneurs in the following subject matters:

- Managerial Finance, Accounting, & Financial Statements preparations
- Human Resources development & management
- Marketing & Customer Development
- Product design, development & management
- Capital sourcing & raise
- Vision Mapping
- Buyer Personas
- Business Model Design
- Contracts & Business structures (Legal studies).

Bonuses

The Fellowship grant awards \$200,000 per team of no less than three (3), first-time entrepreneurs as a base award. Teams may access an additional \$50,000 award on top of the

\$200,000 base award if one entrepreneur team member verifies residency in a designated Opportunity Zone in New Jersey. Opportunity zone means a federal population census tract in New Jersey that was eligible to be designated as a qualified opportunity zone pursuant to 26 U.S.C. s.1400Z-1. Teams may also be awarded an additional \$50,000 in bonuses for each entrepreneur leader, who self-certifies as a “diverse entrepreneur” (as defined in section 2 of P.L.1997, c.349 (C.54:10A-5.29) OR is a “graduate of a New Jersey college or university” (including 2yr, and 4yr schools) in the State, as evidenced by corresponding degree or certification documents. Qualifying teams may receive total bonuses of up to \$150,000 for certifying team members, resulting in a potential total award of \$400,000.

“Diverse entrepreneur” is defined in N.J.S.A. 54:10A-5.29 as individuals meeting the criteria for “minority business” or “female business” defined in N.J.S.A. 52:32-19 as either “persons who are black, Hispanic, Portuguese, Asian-American, American Indian or Alaskan natives” or a woman. - Thus, the Authority will accept an individual entrepreneur’s minority self-certification, if the individual identifies as one of the ethnic and racial categories recognized for minority-owned businesses for the purposes of State certification or identifies as a woman.

Eligibility

The NJIF program will support teams of at least three entrepreneurs, of which half must be first-time entrepreneurs. A team with an odd number of entrepreneur leaders must demonstrate more than half the team must be first-time entrepreneurs. The NJIF program defines a first-time entrepreneur as an entrepreneur who has never been listed as a founder, co-founder, or owner of a business entity that operated in a targeted industry in the State of New Jersey, or has not received third-party, institutional, funding for past entrepreneurial opportunities as early as the ideation phase. Entrepreneurs who have received State and/or federal funding for past entrepreneurial opportunities with entities which did not operate in a targeted industry in the State of New Jersey are eligible for the grant’s consideration.

At least half of the self-identified entrepreneur team (i.e., the minimum three entrepreneurs that will manage the new start-up venture) must certify as “first-time entrepreneurs” and must come directly from the workforce. A team with an odd number of entrepreneur leaders must demonstrate more than half the team must be first-time entrepreneurs.

NJIF Legislation also requires all grant recipients to pay gross income tax at the time of application or demonstrate gross income tax paid within 60 days prior to application date.

Detailed eligibility criteria can be found on the NJIF web page here: [New Jersey Innovation Fellows Program - NJEDA](#).

Application Process

Applications for the NJIFs program will be accepted during distinct application rounds, where the application and any supporting information will be made available on the NJEDA website. There will be a total of four (4) distinct application periods over the course of the Fellowship's two-year tenure (two application periods within a calendar year, open approximately six months apart), or until funds are exhausted. Each application period will be preceded by a 30-day open Q&A period, followed by an approximately 60-day application period.

Members of the Authority's staff will ensure qualified applicants meet all minimum requirements for program participation by reviewing a minimum requirement checklist and supporting documentation.

Fees

There is a \$250 application fee due at the time of application submission. Applications will not be considered complete without payment of the application fee.