



New Jersey Commission on Science, Innovation and Technology
Catalyst Research and Development Pilot Seed Grant Program, Round 3
Notice of Funding Availability

The New Jersey Commission on Science, Innovation and Technology (“CSIT”) will launch an online application for Catalyst Research and Development (“R&D”) Pilot Seed Grant Program, Round 3 (“Program”) at 9am on December 12, 2023 at www.njeda.com/csit. Applications will be open through January 18, 2024, at 5 pm.

The Program has a total budget of \$1,500,000 for grant awards of up to \$75,000 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 1st quarter of 2024.

Purpose

This grant opportunity is issued by the New Jersey Commission on Science, Innovation and Technology (CSIT). The goal of the Program is to help early-stage innovation-based companies in New Jersey (“NJ”) 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 is for companies conducting research and development or testing technologies in the following targeted industry areas:

- Advanced Manufacturing
- Advanced Transportation and Logistics
- Film and Digital Media
- Life Sciences – (medical devices, diagnostics, platforms, non-drug therapeutics projects)
- Non-Retail Food and Beverage
- Professional and Financial Services (fintech, etc.)
- Technology (hard technology, AI, software development, machine learning, etc.)

All applicants for the Program must provide a proof of concept for the project that is being proposed for funding.

Program Overview

The Program has a total budget of \$1,500,000 and will award grants of up to \$75,000 to support

twenty (20) early-stage innovation-based NJ companies that have the potential to impact the targeted industries. Total funding for the Program will come from CSIT's Fiscal Year 2024 budget. The Program will be implemented by CSIT.

Grants will be awarded on a competitive basis, with awards going to the twenty (20) highest scoring applicants, provided each of those highest scoring applicants has met the minimum score of 70.

Applicants can only submit one application for this grant. Multiple applications from the same company will NOT be accepted. Applicants that apply to the Catalyst R&D Pilot Seed Grant Program, Round 3 are not eligible to apply for the Clean Tech R&D Pilot Seed Grant Program, Round 3. Recipients of two or more active CSIT Seed or Demonstration Grants are ineligible for this Program.

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

Eligibility

Each applicant to the Program must meet the following eligibility criteria at the time of application and during the entire review and approval period 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 50 full-time equivalent ("FTE") workers (FTE is calculated on a 35-hour work week) at time of application.
- Have a minimum of one full-time worker (35 hours per week basis). A founder can be counted as a worker, and a worker may be paid or unpaid.
- Fifty percent 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 five million dollars (\$5,000,000) in prior calendar year sales revenue (excluding grant revenue).

Eligible Uses

The grant funding can be utilized for only project research and development activities specified in the grantee's application.

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 grant agreement is signed by both the grantee and CSIT
- 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 may be spent on:

- Marketing and customer discovery specific to the innovation;
- IP patent prosecution and licensing-related expenses; and
- Registration fees for conferences associated with the Project.

Disbursement of funds

First disbursement of 80% of grant award will be made following execution of the grant agreement. Second disbursement of 20% will be made after grantee's final report is submitted and approved by CSIT.

Application Process

All applications to the Program must include the following documentation:

- a. Completed online application
- b. 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 the same 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 2023 or Q1 2024) 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 November 15, 2023 or after). https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp. **DUE No Later Than February 16, 2024**, or application will be declined. NJ certificates may not be immediately available; therefore, these should be applied for well before the February 16, 2024 due date.
- h. If applicable, copy of **Women, Minority, and/or Veteran** owned business NJ certification <https://www.njportal.com/DOR/SBERRegistry/Default/> **DUE No Later Than February 16, 2024**, or relevant bonus points will not be awarded.
- i. If applicable, a copy of **Executed University License Agreement** with University. **DUE No Later Than February 16, 2024**, or relevant bonus points will not be awarded.
- j. Completed Application Certification
- k. Completed CSIT Legal Debarment Questionnaire
- l. For companies with a dba name (“doing business as”), CSIT requires proof of NJ registration reflecting the same.

The following steps detail the application submission and review 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 rejected.

- 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. If the documentation for any bonus category 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, but that do not submit the NJ state certification at the time of the application, will 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 New Jersey Economic Development Authority (“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 decision 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.

Scoring

Scoring Criteria – Grant awards will go to twenty applicants with the highest scores, until Program funds are expended. All applicants must achieve a **minimum score of 70 points** to be eligible for a grant.

- Innovation (up to 30 points)
- Market Opportunity and Strategy (up to 20 points) (Referred to as “Go-to Market Strategy” and “Market Opportunity and Strategy” scoring criteria in prior rounds)
- Implementation plan -budget and milestones (up to 20 points)
- Economic and Broader impacts, such as social, health, education, housing, safety, infrastructure impacts (up to 10 points)
- Team (up to 20 points)

Bonus Points – Once the **minimum score of 70 points** is achieved, bonus points will be awarded to applicants that satisfy the following additional criteria:

- 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 the final decision on grant award winners.

Fees

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

Additional Requirements and Information

Applicants must be in good standing with both New Jersey Department of Labor ("DOL") and New Jersey Department of Environmental Protection ("DEP") to be eligible for an grant award.

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

All grant awardees must report economic impact data to CSIT upon the completion of the project and then every year for the next three years after project completion by submitting an Economic Impact Questionnaire provided by CSIT.

All grant awardees are encouraged to commit to participate in one check-in meeting (in-person or virtual) six months from the start of Project term with the CSIT 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, NJEDA and SMEs. SMEs will execute non-disclosure agreements 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 as "confidential" by the applicant.

Additional Information

Comprehensive information about the Catalyst Research and Development Pilot Seed Grant Program, Round 3 is available at <https://www.njeda.gov/csit>. Questions concerning this Program and Notice of Funding Availability should be submitted csitcatalyst@njeda.gov.