



Clean Tech Seed Grant Program Round 3

Frequently Asked Questions (FAQs)

Question 1: Regarding the required documentation for the application, where can I find the attached templates?

Answer: The templates can be found on the program page on the CSIT website at: <https://www.njeda.com/csit/>

Question 2: Is there a target CRL?

Answer: No, there isn't a target Commercialization Readiness Level (CRL) for the Round 2 Clean Tech Seed Grant Program.

Question 3: Is there a target TRL?

Answer: Yes, all applicants for the Program should be between a minimum technology development level of Technology Readiness Level (TRL) 2 (applied research) to TRL 7 (Full-scale, similar (prototypical) system demonstrated in relevant environment), based on the Department of Energy definitions.

Question 4: What is the reason for both CRL and TRL scores when only a TRL score is required?

Answer: The TRL calculator tool will indicate both the TRL and CRL score based on the answers provided. Though there are no CRL score requirements for the program, the information will provide context to the commercialization readiness of the innovation.

Question 5: As far as the employee W2 documentation, say the company is currently bootstrapped with no W2 employees (ie working for free or evenings/weekends). But under the grant, an employee would be hired full time. Is it acceptable for the W2 documentation to be "N/A"?

Answer: If there are currently no paid employees, the applicant should provide as appropriate a Shareholder Agreement, K-1 or letter (on company letterhead and signed) indicating the names of the individuals working, hours worked and a note that there is no compensation.

Question 6: Do provisional patents count towards IP?

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

Question 7: What is the estimated award/project start date?

Answer: We anticipate making awards in Q1 2024.

Question 8: We note that the technical qualification requirements are to have at least one full time worker/employee ("FTE" calculated on a 35-hour work week) Is the requirement at the time of application or time of award?

Answer: The requirement is to have the employee located in NJ at the time of application and throughout the review period.

Question 9: 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?

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

Question 10: Can one small business submit two different applications for two different technologies?

Answer: No, Applicants are limited to a single application.

Question 11: For the >50% of work to be done in NJ, is there a prejudice as far as whether that is technical or commercial?

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

Question 12: Since funding amount is limited to \$75k, 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?

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

Question 13: What reasonable accommodations do you plan on providing for individuals with intellectual disabilities.

Answer: If an applicant identifies as an individual with a disability, please send an email to csitcleantech@njeda.gov with details and arrangements will be made for accommodations.

Question 14: For the Milestones and Budget worksheet; under "External Service" it states Type. What are the Types that are valid to list?

Answer: 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 third parties or (ii) expenses associated with using a core facility/makerspace or independent lab

Question 15: Does a company need a New Jersey presence to apply for the Clean Tech Seed grant or can we move there after receiving funding?

Answer: Applicants must maintain eligibility throughout the application and approval process. Once approved, grantees must also comply with eligibility and compliance policies.

Eligibility Requirements:

- 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).

Compliance Requirements:

- 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.

Question 16: Can a university faculty member apply for the Clean Tech Seed grant program?

Answer: 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 or may apply if they are the founder of a business that meets the

eligibility requirements.

Question 17: Our company has received a sub-award 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 Clean Tech Seed Grant Program?

Answer: 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.

Question 18: The eligibility requirements state that an applicant must have less than or equal to \$5,000,000 in prior calendar year sales revenue (excluding grant revenue) in order to be eligible to apply. Our company has slightly more than \$5,000,000 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 \$5,000,000. Are we eligible to apply?

Answer: The federal tax return is used as the source of revenue verification for the Clean Tech Seed grant program.

Question 19: Is the one full time worker/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).

Answer: No, the business must have one full-time worker, not one full-time equivalent worker.

Question 20: 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.

Answer: A company that is located in New Jersey and has all of its employees located in New Jersey is eligible to apply for the Clean Tech Seed grant. The company may be formed as a Delaware C- Corporation but must be registered to do business in NJ. Please review the Notice of Funding for the required documentation.

Question 21: 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.

Answer: 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/Veteran Owned Business Certification).

- a. 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. DUE No Later February 16, 2024, or application will be declined.

- b. If applicable, copy of Women, Minority and/or Veteran owned business NJ certification <https://www.njportal.com/DOR/SBERegistry/Default/> DUE No Later Than February 16, 2024, or relevant bonus points will not be awarded.

Question 22: Is a NJ university license agreement required if our company has not entered into any such agreements to date?

Answer: A NJ university license agreement is required if the applicant aims to receive bonus points associated with that documentation. You can still apply to the program without this document.

Question 23: What are the bonus points consideration for this program?

Answer: **Bonus Points** – Bonus points will be awarded to applicants that achieve the minimum score and are also:

- Company is using technology initially developed at a NJ university, under an executed License Agreement with same university
- NJ Certified women-owned business
- NJ Certified minority-owned business
- NJ Certified veterans -owned business
- Primary place of business or R&D located within an opportunity zone eligible census tract or Government restricted municipality
- The company has not previously received a CSIT grant or voucher

Question 24: If our company was formed in 2022 and we have not yet paid taxes what documentation should we provide? Also, if we have no paid employees what documentation is required?

Answer: If taxes have not yet been paid for the company please provide a signed letter (on company letterhead) 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 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.

Question 25: Is laboratory RENT of a qualified facility (NJIT Venture Link?) included in the ineligible expense category?

Answer: No, rental expenses are considered general overhead expenses under the clean tech seed grant program and therefore ineligible.

Question 26: I'm a certified disabled owned business enterprise (DOBE), certified by Disability In. Will this designation be recognized like MBE and WBE certifications are?

Answer: At this time, the DOBE certification is not recognized in terms of qualifying for the MBE/WBE bonus points.

Question 27: Will a recording of this webinar and presentation (slides) be available to review?

Answer: Yes, the webinar recording, and presentation (slides) will be posted on CSIT's website. <https://www.njeda.com/csit/>

It will be on the program page for the Round 3 Clean tech seed grant.

Question 28: Can the team include members who are not working on the project currently but have an agreement with the company to work if funding is approved?

Answer: Team members who are not currently working on the project cannot be counted as employees to qualify for eligibility. They can be a part of the company's team but will NOT be considered on the employee log. All employees noted on the Employee Log must be working at the company at the time of the application and throughout the application review period. You may list new employees that will join if the project is funded on the section on the application that lists project team members.

Question 29: What is the background of those within CSIT that will be reviewing the applications from a Technical and Economic standpoint? Who is our audience? This could affect how we frame the answers to the Application Questions.

Answer: Subject matter experts will be used as part of the evaluation process to provide technical input into the innovation. CSIT and NJEDA staff scoring the applications, do have necessary technical and economic skills.

Question 30: Are Catalyst grant applicants not eligible for Clean Tech Seed grant program?

Answer: A company can only submit one application in total. CSIT Catalyst Seed grant applicants can only propose non-clean tech projects. Clean Tech Seed grant applicants can only propose clean tech/clean energy projects.

Question 32: Is 35 person-hour per week the minimum required for the program?

Answer: In order to be eligible for the Clean Tech Seed grant program, applicants must meet the below eligibility criteria at the time of application and throughout the review period:

- Be authorized and in good standing to conduct business in NJ as evidenced by a current NJ tax clearance certificate addressed to CSIT. All certificates listing another state agency will be rejected.
- Have no more than fifty (50) 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. A worker may be the founder and may be paid or unpaid.
- 50% or more of the cumulative hours worked by all workers, founders, and

contractors must be conducted in NJ (calculated on an FTE basis – 35 hrs. per week).

- Have less than or equal to five million dollars (\$5,000,000) in prior calendar year sales revenue (excluding grant revenue).

Question 33: How does a worker's current full time primary employment affect the requirement that the worker devote at least 50% of their time to the proposed application project?

Answer: If an employee is noted on the log, to be working at the company and dedicating hours on the project; documentation of proof of the hours spent working on the project must be provided.

Question 34: Does the current company structure have to include paid employees? (Can employees currently work for zero wages?)

Answer: No, founders/CEOs that are dedicating time on the project but not taking compensation can be counted as employees. Please note that documentation proof will have to be provided to show that they have equity in the company and are dedicating time working on the project.

Question 35: If the founder is presently working full-time, but retires from primary employment prior to start of proposed project execution, can founder then take over fulfillment of the $\geq 50\%$ of time requirement?

Answer: The eligibility criteria for the program will have to be met at the time of application and through the review period.

Question 36: Do the eligibility requirements have to be met from opening of application window or from final accepted submittal of completed application?

Answer: Refer to Question 35.