

Food and Agriculture R&D Pilot Seed Grant Program Frequently Asked Questions (FAQs) csitfoodagr@njcsit.gov Updated 3/18/24

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 the application Budget and Milestone section as well as in the Required Documents Section. The document will also be uploaded on CSIT program page following the webinar.

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 on the website.

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

We anticipate making awards in the 4th quarter of 2024.

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 after the application launches. 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? 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.
- 8. If my company was recently awarded a CSIT grant, can we apply for the Food and Agriculture R&D Pilot Seed Grant Program.

Yes, your company is eligible to apply for a Food and Agriculture R&D Pilot Seed Grant Program.

9. 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?

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

10. 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 csitfoodagr@njcsit.gov with details and arrangements will be made for accommodation.

11. 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 include but are 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

12. Does a company need a New Jersey presence to apply for the Food and Agriculture R&D Pilot Seed Grant Program or can we move there after receiving funding?

Each applicant to the Program must meet the following eligibility criteria at the time of application and maintain eligibility during the entire review 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 CSIT. All certificates listing another state agency will be rejected.
- Have no more than twenty-five (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. A worker may be the founder and may be paid or unpaid.
- \bullet 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 two million dollars (\$2,000,000) in 2022 calendar year sales revenue (excluding grant revenue).

As of: 3/18/2024

13. Can a university faculty member apply for the Food and Agriculture R&D Pilot Seed Grant Program?

Yes, faculty members can apply but, each applicant to the Program must meet the following eligibility criteria at the time of application and maintain eligibility during the entire review 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 CSIT. All certificates listing another state agency will be rejected.
- Have no more than twenty-five (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. 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 two million dollars (\$2,000,000) in 2022 calendar year sales revenue (excluding grant revenue).
- 14. Our company has received a sub-award from another company that has received a federal grant. Is the amount of the subaward of the federal grant to our company excluded from the revenue determination for eligibility for the Food and Agriculture R&D Pilot Seed Grant Program?

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.

15. \$2,000,000 in prior year revenue to be eligible to apply. Our company has slightly more than \$2,000,000 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 \$2,000,000. Are we eligible to apply?

The federal tax return is used as the source of revenue verification for the Food and Agriculture R&D Pilot Seed Grant Program.

- 16. 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).
 - No. The one full-time employee requirement is not based on a full-time equivalent basis.
- 17. 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 business can be a Delaware C-Corp and apply for the grant, as log as the business is also registered in New Jersey.

Each applicant to the Program must meet the following eligibility criteria at the time of application and maintain eligibility during the entire review 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 CSIT. All certificates listing another state agency will be rejected.
- Have no more than twenty-five (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. 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 two million dollars (\$2,000,000) in 2022 calendar year sales revenue (excluding grant revenue).
- 18. 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.

Eligible Applications must submit bonus point documents by October 6, 2023 to be considered for scoring. Documents received after October 6, 2023 will not be accepted.

- Company is using technology initially developed at a NJ university, under an executed license agreement with such university
- NJ certified women-owned business
- NJ certified minority-owned business
- NJ certified veteran owned business
- 19. Is a NJ university license agreement required if our company has not entered into any such agreements to date?

Eligible Applications must submit bonus point documents by May 31, 2024 to be considered for scoring. Documents received after May 31, 2024 will not be accepted. This includes the following documents:

- Company is using technology initially developed at a NJ university, under an executed license agreement with such university
- NJ certified women-owned business
- NJ certified minority-owned business
- NJ certified veteran owned business
- 20. 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?

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

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 person.

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

Yes, the webinar presentation and slides will be available on our website https://www.njeda.gov/csit.

22. 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. An "how to obtain a tax clearance" document is on the CSIT program page for assistance.

23. Is it a requirement that an Applicant for the Food and Agriculture R&D Pilot Seed Grant Program have a prior federal SBIR or STTR grant or contract?

No. A demonstration evidence that proof of concept has been achieved for the project can be 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

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

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

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

A demonstration of evidence that a proof of concept has been achieved for the project includes 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

26. Is a food distribution company able to apply for the Food and Agriculture R&D Pilot 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 Food and Agriculture R&D Pilot Seed Grant Program:

- Life Sciences (e.g., Next generation crop, soil health, indoor agriculture, and aquaculture)
- Technology (e.g., Digital services and platform development for improved food access, digital services to reduce food waste, digital platform to access emergency food and other services necessary for food security)
- Food and Beverage (Non-retail) (e.g., Improved connection between urban food systems and rural and urban communities to improve food access, increased capacity, and distribution of farm fresh products)
- Transportation and Logistics (e.g., online platform designed to facilitate businessto-business connections with local food systems to address disruptions to the local food supply, innovative food delivery models with reduced carbon footprint)

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

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

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

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.

29. Is it necessary to list each investor?

No, the application requires you to list all employees, founders, consultants, and contractors should be included.

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

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

31. 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 csitfoodagr@njcsit.gov stating the particular issues.

32. 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

33. 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.

34. 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)).

35. Can I apply for a Food and Agriculture R&D Pilot Seed Grant

Program multiple times with various projects?

No. A company can only apply for one Food and Agriculture R&D Pilot Seed Grant Program.

36. 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

– 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