



# Innovation Programs April 2024 Office Hours

# Innovation Programs

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## Team

- ▶ Clark Smith – Director
- ▶ Monika Athwal – Manager
- ▶ Sara Cadeddu – Senior Officer
- ▶ Christopher Shyers – Senior Officer
- ▶ Fariha Sheikh – Analyst
- ▶ Abdelrhman Seliman – Intern
- ▶ Sumaiyya Asim – Intern
- ▶ Daniela Diaz – Intern

## Programs

- ▶ Angel Investor Tax Credit
- ▶ Technology Business Tax Certificate Transfer Program (NOL)
- ▶ NJ Entrepreneur Support Program
- ▶ Angel Match Program
- ▶ NJ Accelerate
- ▶ NJ Ignite
- ▶ Edison Innovation Fund

# NJEDA's Targeted Industries

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- ▶ Advanced transportation
- ▶ Advanced logistics
- ▶ Advanced manufacturing
- ▶ Aviation
- ▶ Autonomous vehicle
- ▶ Zero-emission vehicle
- ▶ Clean energy
- ▶ Life sciences
- ▶ Hemp processing
- ▶ Information technology
- ▶ High technology
- ▶ Finance and insurance
- ▶ Professional services
- ▶ Film and digital media
- ▶ Non-retail Food and Beverages

# Angel Tax Credit (ATC) Program – Refundable Tax Credit

## Program Overview

Investors in a qualifying NJ emerging technology or life science business may benefit from a 20%-25% investment tax credit. Annual program allocation of \$35 million.

- ▶ Full-time employees (FTE)
  - ▶ at least 1, fewer than 225
  - ▶ 75% in New Jersey
- ▶ Must be an emerging technology – commercializing an eligible technology
- ▶ Investment must be a non-refundable transfer of cash
- ▶ Fully submitted application within 6 months of closing investment
- ▶ Bonus for W/MBE or Opportunity Zone companies

**3000+**  
angel  
investments

**\$900  
Million+**  
in investment

**\$113  
Million+**  
in tax credits

**130+**  
technology  
businesses

# NOL Program – Sellable Tax Credit

## Program Overview

Enables unprofitable NJ-based technology or biotechnology companies to sell a percentage of accrued losses to unrelated profitable corporations.

**\$75M** allocated annually

**\$1B+** to **over 570** companies since  
program start



## Tech or biotech companies with:

- ▶ At least 1/5/10 FTE working in NJ
  - ▶ Fewer than 225 FTE in the US
- ▶ Protected, Proprietary Intellectual Property (PPIP)
- ▶ 2 consecutive years of operating losses
- ▶ CPA prepared financial statements
- ▶ Taxable corporate structure

# NJ Entrepreneur Support Program (ESP) – Loan Guarantee

## Program Overview

Provides a guarantee of up to 80% to investor loans/convertible notes advanced for working capital to businesses. Multiple guarantees per company up to the \$400,000 cap may be eligible.

- ▶ Up to \$400K
- ▶ 1 year term
- ▶ 80% Note /Loan Amount
- ▶ Note/loan maturity must be at least 1 year
- ▶ Angels & Funds
- ▶ No Revenue Requirement
- ▶ FT Employees – 50% in NJ
- ▶ \$5 million allocation

**Launched  
March  
2023!**

# Angel Match Program - Direct Investment

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## Program Overview

Matches investors' direct investment in early-stage, product-based technology companies within targeted industries on a 1-to-1 basis with unsecured convertible notes ranging from \$100,000 to \$500,000. Investments must be made by at least two external investors and be structured as preferred equity with a defined price per share.

- ▶ \$100K-\$500K Notes
- ▶ 10-year term, 3% interest rate
- ▶ No payments for first 7 years
- ▶ 1-to-1 match
- ▶ Unsecured
- ▶ Angels & Funds eligible
- ▶ Product based sales revenue – Min \$100K
- ▶ FT Employees – 50% & 2 Founders in NJ

**Launched  
March  
2023!**

[www.njeda.gov/angelmatch/](http://www.njeda.gov/angelmatch/)

# Other NJEDA Highlighted Initiatives

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## Venture Programs

- ▶ NJ Founders & Funders
- ▶ Golden Seeds
- ▶ NJ Innovation Evergreen Fund
- ▶ SEDI and Black & Latino Seed Funds

## Clean Energy

- ▶ NJ Clean Energy Loans (NJ CELs)
- ▶ NJ ZIP

## Commission on Science Innovation & Technology (CSIT)

- ▶ Catalyst Seed Grants
- ▶ Catalyst R&D Vouchers



# NJEDA Diversity and Inclusion Unit



## **Jermaine Pharmes**

Director Business

Diversity/Development

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NJEDA Diversity & Inclusion Unit supports the Authority’s commitment to growing New Jersey’s economy and increasing equitable access to opportunity.

The NJEDA believes that diversity, equity, and inclusion are inherent to creating a stronger and fairer New Jersey economy and building a diverse workforce increases business performance. The Authority is guided by the concept of “diversity on purpose,” the idea that diversity at the NJEDA and in the businesses and communities the Authority serves should not only be recognized but intentionally fostered. This principle drives the NJEDA to produce innovative programs and services that best serve New Jersey’s diverse residents, communities, and businesses.

**Minority/Women Business Enterprise (M/WBE)**

[www.business.nj.gov/pages/certifications/](http://www.business.nj.gov/pages/certifications/)



Supporting early-stage entrepreneurs / academics developing (R&D) innovation-based companies

Encouraging collaboration and connectivity between industry and academia

Grant Programs - <a href="http://www.njeda.com/csit">www.njeda.com/csit</a>	Eligibility Requirements (Standard)	Timeline (Target)
Catalyst R&D Voucher - \$40K	<ul style="list-style-type: none"> <li>&lt; 50 employees</li> <li>50% of employees work in NJ</li> <li>1-2 Full-time employees</li> <li>&lt; \$5 million in prior yr. revenue</li> <li>In good standing to do business in NJ (Current Valid Tax Clearance listing CSIT)</li> </ul>	Rolling - Open
Catalyst Seed Grant - \$75K - \$150K		Yearly 2 <sup>nd</sup> Quarter
Clean Tech R&D Voucher - \$40K		Rolling - Open
Clean Tech Seed Grant - \$75K		Yearly – 4th Quarter
Clean Tech Pilot Demonstration - \$250K		Will Open June 2024
Food / Agriculture Seed Grant - \$75K		Open – close 5/10/24
Maternal / Infant Health Seed Grant - \$75K		Will Open June 2024
SBIR/STTR Matching Grant - \$25K - \$50K		Rolling - Open



Information on capabilities at NJ universities [www.researchwithnj.com](http://www.researchwithnj.com)

**Grant submission assistance for federal SBIR/STTR - NJSBDC - <https://njsbdc.com/techteam/>**

# Contact Us



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Visit [www.njeda.com/CSIT](http://www.njeda.com/CSIT) for more information

Thank You!

NJEDA