

AI Innovation Challenge Administration Grant Program

Grant Program Participation for Administrator Applicants

The New Jersey Economic Development Authority (NJEDA) is seeking applications from qualified Administrator Applicants who will be responsible for developing and managing a statewide AI Innovation Challenge, and disbursing sub-grant awards to AI Challenge winners. The top scoring Administrator will be selected via a competitive process and awarded \$3,800,000 in grant funding for administrative costs and to disburse sub-grant awards. Details on funding milestones can be found on the website.

Eligibility Requirements for Administrator Applicants

- Be a legal entity (no individuals) and have been legally formed under the laws of any US state.
- Be registered to do business in New Jersey and be in good standing with the New Jersey Division of Taxation as certified by a valid New Jersey Tax Clearance Certificate.
- Be in substantial good standing with the New Jersey Department of Labor and Department of Environmental Protection.
- Demonstrate experience in managing a budget of at least \$3 million in at least one prior competitive event, showcasing the capability to effectively allocate and track use of funds through financial statements.
- Demonstrate evidence of a track record in organizing competitive events open to external audiences, including but not limited to pitch competitions, innovation challenges, hackathons and bootcamps, with at least five competitive events hosted by the entity during the five years prior to application.
 - Bonus points will be given to entities who demonstrated an ability to host a demo day, showcase or similar event to publicly present winning participants at the end of prior competitive events.
- Demonstrate success of competitive events through at least 50 participants per event (minimum five events total), AND a proven and documented track record of success in prior competitive event participants, including but not limited to at least 15% of prior participants to receive follow-on funding from "non-related parties", seeing strategic acquisition, significant (50%+) revenue growth post-competitive event, or achieve an exit.
 - "Non-related parties" are entities that are not the Administrator Applicant nor an affiliate, subsidiary, parent, or related entity to the Administrator Applicant.
- Demonstrate engagement with the broader startup ecosystem through access to at least 50 actively engaged Subject Matter Experts (SMEs), mentors or partners across industries and functional capabilities (technology, sales, strategy, accounting, finance, marketing etc.).
- Submit an in-depth proposal for the AI Challenge's execution per the [Administrator Application Scoring Matrix](#) (proposal template available in application).

Eligible Uses of Funds for Administrator Applicants

Direct and indirect costs incurred by the Administrator for:

- Planning, developing, and managing the AI Challenge events (including but not limited to Initial Competitive Event including Virtual Showcase, and Demo Day Event)
- Providing in-kind resources to Challenge participants to create and test AI-based software solutions during the AI Challenge
- Scoring and awarding sub-grant awards to winning Companies
- Managing sub-grant awards, including legal agreements, compliance with NJEDA's requirements, milestones, budgets, and reporting to NJEDA

Ineligible uses of funds: capital costs (such as construction or equipment purchases) and financial investments in the winning Companies through which the Administrator receives or could receive a financial benefit.

NJEDA's selected Administrator will create an AI Innovation Challenge based on the following guidelines

The AI Innovation Challenge ("AI Challenge") refers to events engaging New Jersey's public, including residents, researchers, entrepreneurs, students, and companies to identify challenges across New Jersey, and develop AI-based software solutions that ensure social and public good. Participants will utilize datasets available on data.nj.gov as their primary data source to develop solutions.

AI Challenge Format

- Initial Competitive Event including Virtual Showcase: participating Teams/Companies will identify challenges across New Jersey and create relevant AI-based software prototypes in a short timeframe to address these. The Initial Competitive Event will culminate with a public Virtual Showcase, where all participating Teams/Companies will present their prototypes.
- Demo Day Event: winners from the Competitive Event will have a set amount of time to develop a working software solution (Minimum Viable Product (MVP)) which will be delivered/demonstrated at a separate Demo Day Event.
- Post-Demo Day: AI Challenge winners will continue working with the Administrator for the duration of NJEDA's grant agreement term, towards pilot testing or commercialization of the AI-based software solution.

Benefits for AI Challenge Winners



Sub-grant awards from the Administrator to develop AI-based software solutions in two stages:

- Prototype to MVP
- MVP to pilot demonstration /commercialization



Mentorship and advisory support from the Administrator's network of Subject Matter Experts (SMEs) and partners.



Potential exposure to broader startup ecosystem, through Virtual Showcase and Demo Day events.

Eligibility Requirements for AI Challenge Winners

Established early-stage Companies and Teams of individuals eligible as AI Challenge winners must meet the requirements outlined below. If the winner is a Team of individuals, they must form a business entity prior to receiving the sub-grant award from the Administrator:

- Be registered to do business and have a valid tax clearance certificate from NJ Division of Taxation, or obtain within 30 days of award notice, prior to receiving sub-grant award from Administrator
- Create an AI-based software solution consistent with NJEDA's defined [AI technologies](#) and addressing the AI Challenge's scope
- Demonstrate ability to further develop the prototype on time and on budget by: providing a detailed plan and timeline demonstrating readiness to develop an MVP that is financially viable by the Demo Day Event
- Consist of at least three individuals contributing to the product development, including a team lead, and at least one member with technical expertise in AI and/or related fields
- Minimum of 50% of the individuals as New Jersey residents (for Teams of individuals) OR minimum of 50% of the company's full-time workforce working or paying taxes in New Jersey (for early-stage Companies). Full-time workforce must be verified via NJWR30 or Registered PEO letter, or other forms of documentation, such as Forms 1099, W2, K1, job descriptions and offer letters.
- Must have no more than 224 employees (for early-stage Companies).
- Commit to working on the AI-based software solution until successful milestone completion as outlined in Administrator's sub-grant agreement.
- Identify a base of operations in New Jersey post-Demo Day Event

Eligible Uses of Funds for AI Challenge Winners

- Development of prototype towards MVP
- Completion of Administrator's milestones per the sub-grant agreement
- Development of MVP towards pilot demonstration or commercialization post-Demo Day Event
- Securing commercial office space in New Jersey post-Demo Day Event if needed (such as co-working space/incubator facility in New Jersey, as verified by a lease agreement, co-working space agreement or similar)



For more information,
please scan the code or visit
njeda.gov/AI-Challenge



If you have questions,
please email us at
innovation@njeda.gov



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