Appendix B
NEW JERSEY INNOVATION FELLOWS (NJIF)
PROGRAM SPECIFICATIONS
Updated 12/19/24

Program Description	The New Jersey Innovation Fellows Grant Program ("NJIF") is a $10mm "income replacement" program that was authorized through passage of P.L.2021, c.160 (C.34:1B-370 through 34:1B-373)).
Program Purpose	Provide income-replacement funding to teams of entrepreneurs, through the disbursement of fellowship grants in the amount of $200,000 or up to $400,000 facilitating economic growth and job creation in eligible municipalities.
Program Expiration	Funds will be committed within an estimated 24 months from approval of first applications or until such a time as the funds are depleted.
Funding Source	Funding for NJ Innovation Fellows comes from legislative appropriation pursuant to P.L. 2021 c.160.
"Applicant"	The "Applicant" is the team of entrepreneurs applying for the fellowship.
Award Amount	The base award shall be $200,000 USD per team as a base award. • A team may receive an additional $50,000 bonus if one of the identified Entrepreneurs resides in an Opportunity Zone at the time of application. • A team of Entrepreneurs that includes at least one member who is a graduate of a New Jersey college or university, or is a diverse entrepreneur, and meets the eligibility requirements, may receive $50,000 legislated bonuses for each certifying entrepreneur leader for up to three bonus awards totaling $150,000 "New Jersey college or University" includes 2- or 4- year colleges. Diverse Entrepreneur" refers to the definition established in section 2 of P.L.1997, c.349 (C.54:10A-5.29)

Applicant Eligibility Requirements (Leadership Team)	
Team Composition	The leadership team must consist of **at least three** (3) individual **full-time entrepreneurs.**
First Time Entrepreneurs	At least half of the entrepreneur leadership must certify as "first-time entrepreneurs." A first-time entrepreneur must certify they have never been listed as a founder, co-founder, or owner of a business entity which operated in a targeted industry in the state of New Jersey and has received third-party funding. Third-party funding includes professional Angel investment, institutional Venture (VC), or Private Equity (PE) capital
Majority Equity Ownership	The entrepreneur leadership team must have majority equity interest (>50%) in the proposed business venture.
Personal Address Documentation	The leadership team must provide documentation proving personal address (e.g., utility bills, lease agreements, or government-issued ID showing residency).

Workforce Background	All entrepreneurs on the leadership team must commit to working **full-time** on the business for a period of **two years** following the receipt of the fellowship grant. This commitment includes that: • Entrepreneurs must **leave the workforce** to dedicate themselves fully to the approved business. • Entrepreneurs **cannot be employed** outside of the business or enrolled in classes for more than **20 hours per week** during the two-year commitment period. In all cases to be eligible, entrepreneurs must provide **proof of gross income taxes** at the time of application or within 60 days. This means applicants need to demonstrate that they are currently earning an income and paying taxes, showing they are actively employed or self-employed. **Examples of eligible entrepreneurs include**: • **Professionals** who are leaving a full-time or part-time paid position within **60 days** before applying. • **Recent graduates** who have held a full-time or part-time paid position within **60 days** before applying and are committing to the business on a full-time basis. By submitting an application, entrepreneurs are agreeing to fully dedicate their time to the business and **leave any outside employment** or major academic commitments during the two-year commitment period.
Full Time Commitment	Entrepreneur leadership must commit to working at the business on a full-time basis for two years following receipt of the fellowship grant. “Full-Time basis” is 35 hours/week; Entrepreneur leadership must not engage in part-time or outside work for more than 20 hours per week. Entrepreneurs must sign a legally binding agreement (with ‘clawback’ risks) agreeing to commit to idea/venture on a Full-Time basis. EDA may claw-back disbursed grant funding of an amount up to the total previously disbursed as a consequence of non-compliance.
NJ Income Tax Compliance	All entrepreneur leaders must demonstrate that they are subject to New Jersey’s gross income tax withholding within the last 60 days of application, which means they must have either been employed or engaged in a business activity within the state that is subject to NJ tax withholding by the New Jersey Division of Taxation. To fulfill this requirement, applicants must submit documentation demonstrating that they have paid New Jersey gross income taxes at the time of application or within 60 days of application. • **Pay Stubs:** Applicants can provide a recent pay stub that shows New Jersey gross income taxes paid, which will demonstrate they are subject to the state’s tax withholding system at the time of application or within 60 days of application

	• **NJ-1040ES along with Proof of Payment:** Applicants can submit the NJ-1040ES form, which is used for estimated income tax payments in New Jersey. Along with this form, applicants must provide proof of the income tax payments made to the state at the time of application or within 60 days of application If any member of the original awarded team of entrepreneurs ceases to be a New Jersey taxpayer during the time in which fellowship grants are disbursed and the next following two years, the fellowship may be rescinded, and any amount paid may be recouped by the authority.
Mentorship Program Commitment	All Entrepreneur leadership team must commit to participate in a mentorship program for the program's 24-month duration

Eligibility for Applicant Proposed Startup (Business)	
Business Plan Submission	The Applicant must submit a well written business plan with a clear description of the proposed business and a well-defined strategy for innovation within the market, including anticipated challenges and solutions. (Maximum 3,000 words)
Pitch Deck	A high-level overview of the business, key strategies, financials, and team (limited to 15 slides)
Organizational Chart & Resumes	Applications must include an organizational chart and individual resumes of the entrepreneur leadership team detailing education, professional and volunteer experiences, and any relevant skills, training, or certificates, with clear visualization of the business structure and key team roles
Targeted Industries	Targeted Industries means any industry *identified from time to time by the authority* that shall initially include: • Advanced Transportation and Logistics • Advanced Manufacturing • Aviation • Autonomous Vehicle and Zero-emissions research or development • Clean Energy • Clean Tech • Life Sciences • Hemp Processing • Information and High Technology • Finance and Insurance • Professional Services • Film and Digital Media • Non-retail food and beverage business (including food innovation)
Eligible Municipality	Proposed business venture must be located in an "Eligible municipality," which means any of: • A city of the first class • A municipality with a private research university • A municipality that is qualified to receive assistance under P.L.1978, c.14 (C.52:27D-178 et seq.)

	• A municipality under the supervision of the Local Finance Board pursuant to the provisions of the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.) • A municipality identified by the Director of the Division of Local Government Services in the Department of Community Affairs to be facing serious fiscal distress • A SDA municipality • A municipality in which a major rail station is located
Business Registration and Certification	The venture must be registered with the State within 30 days of award notice in order to close on grant award, as evidenced by a valid business registration and a current tax clearance certificate of the newly formed business
Income Replacement & Use of Funds	Grant funds may only be used as income-replacement. Funds must be used specifically for **payroll** and related expenses for the leadership team. The applicant must provide proof of an established **payroll management system.** i.e., Bank payroll agreement & accounts, Payroll software subscription, Payroll service provider agreement.
Funding Disbursement	The full award will be disbursed quarterly to grantees, over two years immediately following award. Minimum disbursement requirements: • Certified organizational chart demonstrating at least three entrepreneurs are managing the business • Quarterly management prepared financial statements • Annual accountant prepared financial statements • Verification of gross income tax withholding (for example, NJ WR-30) • Proof of regular mentor-program engagement • Certification that at-least three entrepreneurs are managing the business • Mentorship attendance record, evidenced by signed program instructor/advisor form(s) • Current Business' address
Other	
Reapplication	Awarded applicants are ineligible from future NJIF grant considerations and award. Ineligible or denied applications may reapply for consideration and/or award in later application rounds. Awardees deemed non-compliant are ineligible for future consideration for approval.
Declination Appeals	Denied applicants will have 10 business days from date of receipt of declination letter to appeal.
Administration & Management Fees	There will be a 5% fee assessed on the full appropriated amount for NJEDA's administration and fund the mentorship requirement. Additionally, EDA will charge a $250 application fee.