



Clean Tech Seed Grant Program 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: 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 4: 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 indicating the names of the individuals working, hours worked and a note that there is no compensation.

Question 5: Do provisional patents count towards IP?

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

Question 6: Will you send out the slides after the presentation?

Answer: A recording of the webinar and the presentation slides will be uploaded on the CSIT program page at <https://www.njeda.com/csit/>

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

Answer: We anticipate making awards in Q3 2022.

Question 8: We note that the technical qualification requirements are to have at least one full time equivalent employee working 50% of their time on the project being proposed in NJ. 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: Yes, a company may submit an application for two separate projects and technologies, and each project must separately meet the eligibility requirements for employees.

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 csit@njeda.com with details and arrangements will be made for accommodation

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 3rd 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: In order to be eligible for the Clean Tech Seed grant program at the time of application the company must meet the following criteria:

- Authorized and in good standing to conduct business in New Jersey as evidenced by a New Jersey current New Jersey tax clearance certificate
- Have a minimum of one (1) full-time equivalent employee (FTE) including founders; with at least one employee working 50% of their time on the project being proposed
- 50% or more of the work of its employees, including founders and contractors conducted in NJ (calculated on an FTE basis – 35 hrs. per week)
- 50% or more of employees, including founders/contractors live or pay withholding taxes in NJ
- Company has less than two million dollars (\$2,000,000) in prior third-party funding over its lifetime (excluding government grants)
- Company has less than five hundred thousand dollars (\$500,000) in previous calendar year sales revenue

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-awardee 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 \$500,000 in prior year revenue in order to be eligible to apply. Our company has slightly more than \$500,000 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 \$500,000. 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: We have a question regarding the eligibility criteria for the Clean Tech Seed Grant Program. Can you please provide specifics related to the criteria of Less than \$2 million in 3rd party funding over its lifetime? Please clarify what falls in this category. For example, do loans count... PPP/EIDL count? How about convertible notes? Also, what is the timeframe we should be assessing?

Answer: The 3rd party funding includes equity financing on the applicant's balance sheet at the time of application and is counted from the establishment of the company to the date of application for the grant. Debt financing from COVID related programs – PPP and EIDL can be excluded from the debt calculation. Timeframe is over the lifetime of the company.

Question 20: 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).

Answer: Yes – both may be calculated on a full-time equivalent basis.

Question 21: 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 22: 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: Due to COVID-19, it may take longer than usual for Applicants to obtain certain NJ state documents, if an Applicant has attempted to obtain the missing NJ state documents and has not received them by the extension time, the Applicant may provide correspondence or receipts that demonstrate the attempt to obtain the missing documents to enable the application to be deemed complete for scoring purposes only. The required missing documentation MUST be submitted before any recommendation of an award will be made with respect to that Applicant.

Question 23: Is a NJ university license agreement required if our company has not entered into any such agreements to date?

Answer: If your company has not entered into a license agreement with a NJ university you may still apply for the Clean Tech Seed grant. No documentation from a NJ university is required in that instance.

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 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: 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 be available to review?

Answer: Yes, the webinar recording will be posted on CSIT's website. It will be on the program page for the Round 2 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 are not eligible for Clean Tech Seed grant program?

Answer: 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 31: How many prospective applicants are there, as indicated by count of those now attending?

Answer: There were thirty-eight (38) attendees that participated in the January 26th webinar. There is an ongoing marketing outreach for the program.

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:

- Authorized and in good standing to conduct business in New Jersey as evidenced by a New Jersey current New Jersey tax clearance certificate
- Have a minimum of one (1) full-time equivalent employee (FTE) including founders; with at least one employee working 50% of their time on the project being proposed
- 50% or more of the work of its employees, including founders and contractors conducted in NJ (calculated on an FTE basis – 35 hrs. per week)
- 50% or more of employees, including founders/contractors live or pay withholding taxes in NJ
- Company has less than two million dollars (\$2,000,000) in prior third-party funding over its lifetime (excluding government grants)
- Company has less than five hundred thousand dollars (\$500,000) in previous calendar year sales 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.

Question 37: Does the 30-minute virtual presentation have to avoid any material not given in the application? (For example, there are no options for visuals in the application. Would it be extraneous additional information to include explanatory photos and/or video in the presentation?)

Answer: Instructions for the virtual presentation including structure of presentation will be provided at a later date after CSIT reviews all submitted applications.