



## **New Jersey Commission on Science, Innovation and Technology**

### **Notice of Funding Availability**

#### **Round 4: Direct Financial Assistance Grant for Businesses Engaged in the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Federal Programs**

The New Jersey Commission on Science, Innovation and Technology (CSIT) expects to launch an online application for the Direct Financial Assistance Grant for Businesses Engaged in the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Federal Programs at 9:00 am on October 3, 2022 at [www.njeda.com/csit](http://www.njeda.com/csit). The application will be open through November 14, 2022 at 5pm. This is a competitive grant. No fees will be charged for this program. Decisions on this grant award are expected to be made by the CSIT Board by January 2023.

The Direct Financial Assistance Grant for Businesses Engaged in the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Federal Programs has a total budget of \$1,000,000 and will offer two grant components:

1. \$25,000 Direct Funding for 20 SBIR/STTR Phase I, Fast Track or Direct to Phase II award/contract winners (“Direct Funding”).
2. \$50,000 Bridge Funding for 10 SBIR/STTR Phase II applicants (“Bridge Funding”).

Applicants to the Round 4, CSIT Direct Financial Assistance SBIR/STTR Program may only apply for one component (either a Direct Funding or Bridge Funding). CSIT reserves the right to reallocate funds between the two components of the Direct Financial Assistance programs.

#### **Purpose**

The purpose of the CSIT established SBIR/STTR support program in New Jersey, is to enhance the State’s innovative economy by providing technical and financial support to small businesses seeking to or participating in the Federal SBIR/STTR program. These are highly competitive three-phase award programs, which provide qualified small businesses opportunities to propose innovative ideas that meet the specific research and development needs of the Federal government. The goals of the programs are to:

- Stimulate technological innovation
- Meet Federal research and development needs
- Foster and encourage participation in innovation and entrepreneurship by women and socially or economically disadvantaged populations
- Increase private-sector commercialization of innovations derived from Federal research and development funding.

### **Direct Funding for SBIR/STTR Phase I, Fast Track or Direct to Phase II Federal Applicants:**

Phase I of the Federal SBIR/STTR program is intended to establish technical merit, feasibility, and commercial potential of the proposed research and development efforts. Federal Phase I awards normally do not exceed \$150,000 in total costs for six months. To help New Jersey Phase I, Fast Track or Direct to Phase II award/contract winners increase intensity of research, strengthen commercialization plans, cover operational expenses, and become more competitive for Phase II funding, CSIT will provide a grant of \$25,000 to New Jersey small businesses that receive a Phase I, Fast Track or Direct to Phase II award/contract. The grant funding is intended to reduce the financial burden on these growing small businesses and improve their chances of applying and winning Phase II awards. The grant will be flexible to help cover general operational expenses.

### **Bridge Funding for Phase II Federal Applicants:**

The gap between application and award notice for Phase II of the Federal SBIR/STTR program can be up to six months and it is during this period that small businesses often struggle to secure funding and maintain operations. CSIT will offer funding of \$50,000 to New Jersey small businesses that have successfully completed Phase I of Federal SBIR/STTR program and have applied for Phase II funding. The funding is intended to enable these businesses to maintain operations while waiting on Phase II awards.

### **Overview**

Overall, the SBIR/STTR Direct Financial Assistance Grant Program has three objectives; all of which help grow the innovation economy in New Jersey:

- i. Increase the success rate of New Jersey grant applicants seeking Federal funding for SBIR/STTR programs.
- ii. Reduce the financial burden for small New Jersey companies that have won Phase 1, a SBIR/STTR Fast Track or a Direct to Phase II award of the Federal SBIR/STTR program.
- iii. Increase success and maximize growth of small New Jersey companies in moving from Phase I to Phase II of the SBIR/STTR Federal program.

## **Program Details**

Grants will be awarded on a competitive basis, with awards going to the highest scoring applicants. All materials must be submitted after October 3, 2022 at 9 am and before the grant application deadline on November 14, 2022 at 5:00pm.

Each approved grant will be valid for a period of 12 months starting from date of the execution of the grant agreement.

## **Eligibility**

All applicants must meet eligibility criteria at time of application and must maintain eligibility during the period of application review in order to be considered for an award.

Applicants should send a notification to [csitsbir@njeda.com](mailto:csitsbir@njeda.com) if there are any changes to their eligibility status after submission of an application and prior to any award notification.

Eligibility requirements must also be maintained during the grant term for awarded applicants and will be specified in the grant agreement.

## **To Be Eligible Direct Funding for Phase I, Fast Track or Direct to Phase II Federal Awardees Must:**

- a) Provide a current New Jersey Tax Clearance Certificate listing New Jersey Commission on Science, Innovation and Technology. All certificates listing another state agency will be rejected.
- b) Have a minimum of one full-time employee (working a minimum of 35-hours per week). A founder can be counted as an employee; an employee may be paid or unpaid.
- c) Fifty percent or more of the cumulative hours worked by all employees, founders, and contractors must be conducted in New Jersey (as calculated on an full-time employee basis of 35 hours per week).
- d) The primary place of performance on the Federal SBIR/STTR grant or contract award is a New Jersey address.
- e) Be a recipient of a Federal SBIR/STTR Phase I, Fast Track or Direct to Phase II grant or contract award within the last two years prior to the issuance of this Notice of Funding Availability.
- f) The applicant cannot have been awarded more than five Federal SBIR/STTR grants or contracts (Phase I, Fast-track, Direct to Phase II combined) throughout the lifetime of the company.
- g) Certify compliance with the New Jersey Conflicts of Interest Law, [N.J.S.A. 52:13D-12](#), et. seq.
- h) Applicants must be in good standing with both DOL and DEP. As part of the review process, CSIT conducts sister agency checks with the New Jersey Department of Labor (DOL) and Department of Environmental Protection (DEP) on all completed applications.

### **To Be Eligible Bridge Funding for Phase II Federal Applicants Must:**

- a) Provide a current New Jersey Tax Clearance Certificate listing New Jersey Commission on Science, Innovation and Technology. All certificates listing another state agency will be rejected.
- b) Have a minimum of one full-time employee (working a minimum of 35-hours per week). A founder can be counted as an employee; an employee may be paid or unpaid.
- c) Fifty percent or more of the cumulative hours worked by all employees, founders, and contractors must be conducted in New Jersey (as calculated on a full-time employee basis of 35 hours per week).
- d) The primary place of performance on the Federal Phase II SBIR/STTR project submission is a New Jersey address.
- e) Be a previous Federal SBIR/STTR Phase I grant or contract award recipient within the last two years prior to the issuance of this Notice of Funding Availability that has successfully completed a Phase I Federal SBIR/STTR program, submitted a Phase II SBIR/STTR application, and not yet received a Federal response on their Phase II application.
- f) The applicant cannot have been awarded more than five Federal SBIR/STTR grants or contracts (Phase I, Fast-track or Direct to Phase II combined) and four Federal Phase II SBIR/STTR grants or contracts throughout the lifetime of the company.
- g) Certify compliance with the New Jersey Conflicts of Interest Law, [N.J.S.A. 52:13D-12](#), et. seq.
- h) Applicants must be in good standing with both DOL and DEP. As part of the review process, CSIT conducts sister agency checks with the New Jersey Department of Labor (DOL) and Department of Environmental Protection (DEP) on all completed applications.

### **Scoring Criteria**

All complete applications will be scored against the scoring criteria listed below and a summary of scored applications will be forwarded to the CSIT Program Committee. The Program Committee will review scored applications and make funding recommendations to the CSIT Board. The CSIT Board will make the final decision on grant winners.

- Percentage of employees in New Jersey (**up to 20 points**<sup>1</sup>).
- Primary place of business/research and development (R&D) located within an Opportunity Zone census tract or primary place of business/R&D located within Trenton, Paterson, or Atlantic City (**15 points**).
- Company with technology that came out of any New Jersey university with an executed license agreement (**15 points**).
- First time applying for a CSIT Direct Funding or Bridge Funding grant (**10 points**).

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<sup>1</sup> (100 percent of employees in New Jersey = 20 points; between 75 percent and 99 percent = 15 points; between 50 percent and 74 percent = 10 points; and less than 49 percent = 0 points.)

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- First time federal SBIR/STTR awardees (direct funding)/ first time federal Phase II submitters (bridge funding) (**10 points**).
- New Jersey Certified Women-owned Business (**10 points**).
- New Jersey Certified Minority-owned Business (**10 points**).
- New Jersey Certified Veteran-owned Business (**10 points**).

### Eligible Uses

SBIR/STTR Direct Financial Assistance Grant Program funding can be used to maintain project activities and cover general operating costs.

### Grant Amounts

Eligible applicants can receive grant awards of \$25,000 for Direct Funding and \$50,000 for Bridge Grants.

### Application Process

The application will open at 9:00 am on October 3, 2022 at [www.njeda.com/csit](http://www.njeda.com/csit) and close on November 14, 2022 at 5:00 pm. In addition to the online application form, **Direct Funding Grant applications for Phase I, Fast Track and Direct to Phase II winners** must provide the following documentation:

- a) Copy of Federal Phase I, Fast Track or Direct to Phase II Award Letter/Contract from a participating Federal agency dated within the past two years of the issuance of this Notice of Funding Availability.
- b) Copy of the accepted Phase I, Fast Track or Direct to Phase II proposal submitted to participating Federal agency in response to a specific Federal solicitation.
- c) Employee information as appropriate for applicable company structure and staffing (i.e., most recent New Jersey WR-30 (for W2 employees) or 1099 (for contractors)); as well as a shareholder agreement, K-1, or offer letters. Please note that if a Professional Employment Organization (PEO) is utilized, the applicant must submit confirmation of PEO-A form issued by the New Jersey Department of Labor and Workforce Development. These confirmations are issued on an annual basis and are valid for one year. See <https://www.nj.gov/labor/ea/employer-services/leasing-companies/> for additional information on PEOs.
- d) Summary of most recent internal payroll (Q2 2022 or Q3 2022) indicating each employee name and number of hours worked per week.
- e) Current New Jersey Tax Clearance Certificate listing New Jersey Commission on Science, Innovation and Technology. See [https://www16.state.nj.us/NJ\\_PREMIER\\_EBIZ/jsp/home.jsp](https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp). All certificates listing another state agency will be rejected.
- f) If applicable, copy of Veteran-owned, Minority-owned, or Women-owned Business Certification.

<https://www.njportal.com/DOR/SBERRegistry/Default/>.

- g) Completed application certifications.
- h) Completed CSIT legal debarment questionnaire.

In addition to the online application form, **Bridge Funding for Phase II applicants** shall provide the following documentation:

- a) Copy of Federal Phase I SBIR/STTR Award/Contract from a participating Federal agency dated within the past two years of the issuance of this Notice of Funding Availability.
- b) Copy of the Phase I final report and confirmation of agency acceptance.
- c) Proof of Federal Phase II SBIR/STTR application submission: documentation showing that Phase II SBIR/STTR proposal has been submitted to and received by the participating Federal agency. Example:
  - A copy of the Phase II SBIR/STTR proposal submitted to sponsoring agency and
  - Written or electronic notification from the agency confirming date of proposal receipt.
- d) Employee information as appropriate for applicable company structure and staffing (i.e., most recent New Jersey WR-30 (for W2 employees) or 1099 (for contractors); as well as shareholder agreement, K-1, or offer letters. Please note that if a Professional Employment Organization (PEO) is utilized, the applicant must submit confirmation of PEO-A form issued by the New Jersey Department of Labor and Workforce Development. These confirmations are issued on an annual basis and are valid for one year. See <https://www.nj.gov/labor/ea/employer-services/leasing-companies/> for additional information on PEOs.
- e) Summary of most recent internal payroll (Q2 2022 or Q3 2022) indicating each employee name and number of hours worked per week.
- f) Current New Jersey Tax Clearance Certificate listing New Jersey Commission on Science, Innovation and Technology. See [https://www16.state.nj.us/NJ\\_PREMIER\\_EBIZ/jsp/home.jsp](https://www16.state.nj.us/NJ_PREMIER_EBIZ/jsp/home.jsp). All certificates listing another state agency will be rejected.
- g) If applicable, copy of Veteran-owned, Minority-owned, or Women-owned Business Certification. <https://www.njportal.com/DOR/SBERRegistry/Default/>.
- h) Completed application certifications.
- i) Completed CSIT legal debarment questionnaire.

The following steps detail the application submission process:

- A document completeness review will be done on a rolling basis as applications are received.
- Applicants with missing documentation will be notified and given 10 business days to submit

- missing documents.
- After the missing documentation deadline, only complete applications will be evaluated and scored.
- A score will be assigned to each application.
- Grants will be awarded to the top 20 applications with the highest overall scores for Phase I Direct Funding awards.
- Grants will be awarded to the top 10 applications with the highest overall scores for Phase II Bridge awards.

### **Board Approval**

The CSIT Board will make the final decision on grant award winners.

### **Fees**

No fees will be collected by CSIT for this program.

### **Additional Information**

Grant award agreements will require that the awardee's employees and consultants conduct at least 50 percent of the company's work (calculated on a full-time basis, 35 hours) in New Jersey for a period of three years from the effective date of the Grant Agreement. Failure to comply will trigger a requirement that the awardee make full re-payment of the grant award.

All grant awardees must report economic impact data to CSIT for a period of two years from the anniversary of the grant agreement completion of the project by submitting an Economic Impact Questionnaire provided by CSIT.

All grant awardees are asked to commit to participate in future CSIT/NJEDA alumni activities, such as serving as a panel member or participating in interviews about program experience.

### **Confidentiality**

Applications received will be reviewed only by staff of CSIT, NJEDA, participating universities/colleges, federal labs, and non-profit organizations. All applications submitted will be subject to requests for disclosure, including but not limited to requests pursuant to the Open Public Records Act ("OPRA"), N.J.S.A. 47:1A-1 et seq. If the applicant believes that information contained in its proposal merits confidential treatment pursuant to OPRA, any such purportedly confidential information submitted must be specifically identified and marked by the applicant as such.