NJEDA
ECONOMIC DEVELOPMENT AUTHORITY

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October 15, 2020 9 minute read

NOTICE OF FUNDING AVAILABILITY: SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM – PHASE 3

COVID-19 Outbreak
New Jersey Economic Development Authority (NJEDA)
Small Business Emergency Assistance Grant Program – Phase 3

Notice of Funding Availability:

Applications will open for restaurants at 9:00 am on Thursday, October 29, 2020.
Applications will open for micro businesses at 9:00 am on Friday, October 30, 2020.
Applications will open for all other eligible businesses at 9:00 am on Monday, November 2, 2020.

Applicants must pre-register prior to 5pm on Tuesday, October 27, 2020.

Language Assistance

Please see below for multilingual versions of this Notice of Funding Availability. If you need language assistance, please send NJEDA your name, spoken language and telephone number to languagehelp@njeda.com

español (Spanish)
ATENCIÓN: si habla **español**, los servicios de asistencia lingüística, gratuitos, están disponibles para usted enviando un correo electrónico a languagehelp@njeda.com.

اللغة (Arabic)
العربية، فإن خدمات المساعدة اللغوية مجانية متاحة لك عبر إرسال بريد إلكتروني إلى اللغة تنبيه: إذا كنت تتحدث
languagehelp@njeda.com.

粵語 Traditional Chinese (Cantonese Chinese)
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普通话 Simplified Chinese (Mandarin Chinese)
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ગુજરાતી (Gujarati)
ધ્યાન આપો: જો તમે **ગુજરાતી** બોલતા હોય તો, તમારા માટે languagehelp@njeda.com પર ઈ-મેઈલ કરવાથી ભાષા સહાય સેવાઓ મફતામાં ઉપલબ્ધ છે.

हिंदी (Hindi)
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italiano (Italian)
ATTENZIONE: se parla **italiano**, può usufruire gratuitamente di servizi di assistenza linguistica scrivendo all'indirizzo languagehelp@njeda.com

한국어 (Korean)
알림: **한국어**를 사용하시는 경우, 언어 지원 서비스가 무료로 이메일 languagehelp@njeda.com을 통해 제공됩니다.

po polsku (Polish)
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português (Portuguese)
ATENÇÃO: se você falar **português**, oferecemos serviços de apoio de idioma gratuitos. Envie um e-mail para languagehelp@njeda.com.

Tagalog
ATTENTION: Kung nagsasalita ka ng **Tagalog**, magagamit mo ang libreng mga serbisyong tulong sa wika sa pamamagitan ng pag-email sa languagehelp@njeda.com.

Overview

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey's efforts to contain the spread of COVID-19. Subsequent containment measures were implemented, including restrictions on public gatherings and mandated closure of non-essential businesses. While these measures are consistent with similar measures being taken nationally that are expected to limit the public's exposure to COVID-19, there has been and will continue to be a significant adverse impact on our state's economy.

On March 26, 2020, the New Jersey Economic Development Authority (NJEDA) approved the creation of the Small Business Emergency Assistance Grant Program – an emergency grant funding program to provide funding as efficiently and quickly as possible to certain small and medium sized enterprises, i.e., businesses and non-profits (SMEs), that needed payroll and working capital support as a result of adverse economic impacts following the March 9, 2020 declaration of a State of Emergency and a Public Health Emergency.

The initial phase of the grant program focused on the smallest enterprises in targeted industries that were among the most adversely impacted by the containment measures. The NJEDA utilized $5 million from its own unrestricted monies, along with $2 million in funding contributed by the Casino Reinvestment Development Authority (CRDA) in support of impacted entities in Atlantic County, to fund the original Small Business Emergency Assistance Grant Program. The second phase of the grant program utilized $45 million in funding from the Coronavirus Relief Fund, as established under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, with less restrictive eligibility requirements to assist a larger number of SMEs.

Utilizing $70 million in additional funding from the Coronavirus Relief Fund, the NJEDA is now implementing a third phase of the Small Business Emergency Assistance Grant Program, with both less restrictive eligibility requirements and new dedicated pools of funding for restaurants and micro-businesses.

Purpose

The purpose of the Small Business Emergency Assistance Program – Phase 3 is to provide short-term, immediate payroll and working capital support to additional New Jersey SMEs that have been negatively impacted during the declared state of emergency, thereby helping to stabilize their operations and minimizing any potential furloughs and/or layoffs.

Under the initial phase of the program, eligibility was restricted to businesses of no more than 10 FTEs. In Phase 2, the employee eligibility cap was increased to no more than 25 FTEs. In Phase 3, the employee eligibility cap is further increased to no more than 50 FTEs.

The initial phase of the program restricted eligibility to entities that were operating under a very narrow set of industries as determined by the North American Industry Classification (NAICS) code. As in Phase 2, in Phase 3, the program will not be restricted by NAICS code, with the exception of certain prohibited businesses as outlined below, and funding will also be available to home-based businesses and sole proprietors registered within the State, both of which were ineligible under the initial phase of the program. Furthermore, all 501(c) non-profit entities will be eligible, with the exception of organizations whose primary activity is political lobbying.

Eligible Uses

Under the Small Business Emergency Assistance Grant Program – Phase 3, funding may be used for reimbursement of lost revenue as a result of business interruption caused by COVID-19 and may not be used for capital expenses, including construction.

Grant Amounts

Phase 1 and Phase 2 of the Small Business Emergency Assistance Grant Program utilized a similar methodology for calculating a grant award, with $1,000 available per FTE, as reported in the most recent WR-30 filed with the New Jersey Department of Labor and Workforce Development. In Phase 3, rather than calculating grant awards on a per FTE basis, award sizes will be fixed based on FTE bands and industry, as per the chart below. Furthermore, rather than using the most recent WR-30 to determine award size, an applicant's peak FTE count from the past six quarters of WR-30 filing will be used, maximizing the potential award. A company that is a sole proprietorship or otherwise has had no FTEs for each of the six quarters, would receive the minimum grant amount as per the table below.

For the purpose of calculating the grant amount, any implied FTE calculations will be rounded to the nearest FTE, e.g., 2.49 FTE would be counted as 2 FTE for the program, whereas 2.50 FTE would be counted as 3 FTE. While the calculation of FTEs is based on weeks worked and wages, as reported on the WR-30 filing, in no event will a company receive grant funding based on a number of FTEs that exceeded the number of employees employed by the company in the filing period, except that if a sole proprietor or other applying entity has no FTEs, it may be eligible for the minimum grant award. For entities like sole proprietorships, the NJEDA will work with the Division of Taxation in the Department of Treasury to identify tax filing status.

Award sizes for "Food Services and Drinking Places" businesses with NAICS beginning with 722:

FTE Band	Award Size
5 FTEs or fewer, including businesses with no FTEs	$10,000
6-25 FTEs	$15,000
26-50 FTEs	$20,000

Award sizes for micro-businesses:

FTE Band	Award Size
5 FTEs or fewer, including businesses with no FTEs	$5,000

Award sizes for other small businesses:

FTE Band	Award Size
6-25 FTEs	$10,000
26-50 FTEs	$15,000

Eligible Applicants

Businesses that were approved for grant funding under Phase 1 or Phase 2 of the Small Business Emergency Assistance Grant Program will be eligible for Phase 3 funding. Funding received in Phases 1 or 2 will not affect the award sizes these businesses are eligible to receive in Phase 3 (except to the extent prior grants reduced the business's unmet need).

Eligible SMEs must have a physical commercial location in the State of New Jersey (e.g., an office, a physical point of sales, a warehouse, manufacturing facility, etc.), and home-based businesses must be located in New Jersey. All non-profit entities organized under Internal Revenue Code section 501(c) will be eligible, with the exception of organizations whose primary activity is political lobbying.

Prohibited businesses include, but are not limited to: gambling or gaming activities; the conduct or purveyance of "adult" (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or "lost-our-lease" or "going-out-of-business" or similar sales; sales by transient merchants, Christmas tree sales or other outdoor storage; and, any activity constituting a nuisance; or any illegal purposes.

The CEO/equivalent officer of each eligible SME must self-certify that the firm:

- Was in operation on February 15, 2020 (consistent with the federal Paycheck Protection Program implemented by the Small Business Administration);

- Will make a best effort not to furlough or lay off any individuals from the time of application through six months after the end of the declared State of Emergency, or March 9, 2020 (SMEs that have already furloughed or laid off workers from the time of application must make a best effort pledge to re-

Emergency on March 9, 2020 (SMEs that have already furloughed or laid off workers from the time of application must make a best-effort pledge to re-hire those workers as soon as possible) – any material breach of its best efforts certification may result in the NJEDA seeking repayment of the grant;

- Has been negatively impacted by the COVID-19 declared State of Emergency on March 9, 2020 (e.g., has been temporarily shut down, has been required to reduce hours, has had at least a 20 percent drop in revenue, has been materially impacted by employees who cannot work due to the outbreak, or has a supply chain that has materially been disrupted and therefore slowed firm-level production); and

- Has a material financial need that cannot be overcome without the grant of emergency relief funds at this time (e.g., does not have significant cash reserves that can support the SME during this period of economic disruption).

In addition, an eligible SME must show evidence, at the time of application, that the SME is registered to do business in the State of New Jersey, is in good standing with the New Jersey Department of Labor and Workforce Development, and meets the requirement by the Division of Taxation in the Department of Treasury to ensure that the applicant does not have tax debts due to the State. Evidence may be presented in the form of a certification by the applicant, subject to repayment if the certification is not correct.

Each eligible SME may submit one application per Employer Identification Number, i.e., SMEs with multiple Employer Identification Numbers (EINs) can submit one application per EIN; and, businesses with multiple locations but only one EIN will be limited to one application (under the sole EIN).

Finally, additional eligibility requirements may apply, which will be based on any applicable Federal requirements related to the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, and may include, but not be limited to, a restriction on duplication of benefits that could exclude potential applicants that have already received Federal assistance, as well as a requirement that the applicant further demonstrate that it has had negative impacts from COVID-19.

Funding Disbursement

Funding to be fully disbursed as quickly as possible upon approval of grant application.

Of the $70 million in Coronavirus Relief Fund funding available, funds will be reserved for specific types of businesses in the following manner:

- **Restaurants:** $35 million of funding be reserved to support businesses classified as "Food Services and Drinking Places" with NAICS codes beginning with 722 (described in this document as "Restaurants"), given the disproportionate impact these businesses have experienced due to COVID-19, including caps on on-location dining and unusual costs they incurred to adapt their business models for safe operations. 33 percent of the funding within this category will be directed to support entities that have a commercial business address located (fully or partially) in a census tract that was eligible to selected as New Jersey Opportunity Zone (i.e., a New Market Tax Credit census tract).

- **Micro-businesses:** $15 million of funding be reserved to support businesses that have had 5 or fewer FTEs in its peak FTE count over the past six quarters of WR-30 filings (including businesses with no FTEs), given the unique financial vulnerability experienced because of COVID-19 by micro-businesses, which typically have lower financial reserves. 33 percent of the funding within this category will be directed to support entities that have a commercial business address (or home address for home-based businesses) located (fully or partially) in a census tract that was eligible to selected as New Jersey Opportunity Zone (i.e., a New Market Tax Credit census tract).

- **Other small businesses:** The remaining $20 million of funding will be reserved to support businesses with 6 to 50 employees. 33 percent of the funding within this category will be directed to support entities that have a commercial business address (or home address for home-based businesses) located (fully or partially) in a census tract that was eligible to selected as New Jersey Opportunity Zone (i.e., a New Market Tax Credit census tract).

Application Process

In expectation that the grant program will be oversubscribed, a **10-day pre-registration period** will allow interested applicants the opportunity to submit business information and sign up to receive the application once live. **All applicants must participate in this pre-registration.** Pre-registered applicants will receive information by email containing a link to the online application and the time at which the application will go live. **Pre-registration must be completed prior to 5pm on Tuesday, October 27, 2020.**

For restaurants, the application will open at 9:00 am on Thursday, October 29, 2020 and close at 5pm on Thursday, November 5, 2020

For restaurants, the application will open at 9:00 am on Thursday, October 29, 2020 and close at 5pm on Thursday November 5, 2020.

For micro businesses, the application will open at 9:00 am on Friday, October 30, 2020 and close at 5pm on Friday, November 6, 2020.

For all other eligible businesses, the application will open at 9:00 am on Monday, November 2, 2020 and close at 5pm on Monday, November 9, 2020.

The NJEDA will review applications on a first-come, first-served basis, based upon the date and time in which the Authority receives a completed the application submission. If it appears that available funding will not be fully utilized by eligible applications received through November 9, 2020, the NJEDA may re-open pre-registration on November 10, 2020 and may re-open the application on November 17, 2020.

Fees

Due to financial hardship, no fees will be collected by the Authority for this program.

Additional Information

Additional information on the Small Business Emergency Assistance Grant Program – Phase 3 may be found at http://cv.business.nj.gov.

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