NJEDA
ECONOMIC DEVELOPMENT AUTHORITY

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NOTICE OF FUNDING AVAILABILITY: SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM

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

Notice of Funding Availability: Application Will Open at 9:00am on Friday April 3, 2020 on **https://cv.business.nj.gov**.

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 announced and are continuing to be announced, including restrictions on public gatherings and limited operating hours for 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 is already and will continue to be an adverse economic impact on our nation's economy.

Within New Jersey, small businesses, and residents employed by these businesses, are facing economic challenges as businesses have difficulties meeting payroll obligations and supporting basic operating expenses that are expected to increase during a prolonged period of restricted operation or closing. Without a source of immediate relief, small businesses are being forced to furlough or lay off employees. Accordingly, the State of New Jersey is taking early action on a set of economic stability measures to provide short-term cash flow support to small businesses and increase overall business confidence, with the following objectives:

- Get funding into the market as soon as possible;
- Where possible, adjust existing NJEDA programs to address crisis needs;
- Utilize multiple channels/partners to maximize marketing of programs and minimize processing capacity constraints;
- Leverage private, federal, and philanthropic capital where possible to scale impact; and
- Provide a suite of compatible offerings to help address varied marketplace needs (e.g., grants, no-cost loans, low-cost loans, loans through intermediaries, technical assistance).

Purpose

The purpose of the Small Business Emergency Assistance Program is to provide short-term, immediate payroll and working capital support to New Jersey small and medium sized enterprises (businesses and non-profits) (SMEs), between one and 10 full-time employees (FTEs), facing prolonged operating restrictions or closure due to the COVID-19 outbreak, thereby helping to stabilize their operations and minimizing any potential furloughs and/or layoffs.

Eligible Uses

Under the Small Business Emergency Assistance Grant Program, funding may be used for unrestricted payroll and working capital support; however, funding cannot be used for capital expenses, including construction.

Grant Amounts

Eligible businesses may receive $1,000 per FTE, with the calculation based on the WR-30 filing from the most recent payroll period from date of application. The minimum grant amount (per application) is $1,000; and maximum grant amount (per application) is $5,000.

While the maximum grant amount per SME is $5,000, specific grants amounts will be calculated based on $1,000 per FTE – based on the FTEs reported on company's most recently filed WR-30 with the New Jersey Department of Labor and Workforce Development (DOL). Implied FTE calculations will be rounded to the nearest FTE (e.g., 2.24 FTEs would be counted as 2 FTEs for the program, whereas 2.50 or 2.75 FTEs would be counted as 3 FTEs). While the calculation of FTEs is based on weeks worked and wages as reported on the Company's 4th Quarter 2019 WR-30 filing, in no event will a company receive grant funding based on a number of FTEs that exceeds the number of employees employed by the company. Because WR-30 filings are based on Employer Identification Numbers (EINs), SMEs with more than one EIN will be able to submit one application per EIN. SMEs that may have multiple locations but only one EIN can only apply once for a maximum of $5,000.

Funding Disbursement

Of the $5 million total NJEDA funding commitment, $3 million of program funds will be set aside for SMEs with five or fewer FTEs; however, these funds may be released back to a general pool at the discretion of the Chief Executive Officer if demand from SMEs with five or fewer FTEs has decreased significantly and demand from SMEs over five employees remains high. As the demand for the grant funding may exceed the total available funding, funding will be considered on a first-come, first-served basis based upon the date and time which the NJEDA receives a complete application. NJEDA will review applications in the order in which they are received.

Eligible Applicants

Each eligible SME must have between one and 10 FTEs as reported on their New Jersey 4th Quarter 2019 WR-30 filing with the New Jersey Department of Labor and Workforce Development. Non-employee companies, holding companies, companies that utilize 1099 employees (although these companies' FTEs may be eligible), and larger firms are not eligible for this round of grant funding.

The eligible SME 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.). No home-based businesses are eligible for this round of grant funding.

The eligible SME must operate within the following industries as defined by the SME's two-digit North American Industry Classification ("NAICS") code: Retail; Accommodation & food services; Arts, entertainment & recreation; and Other services (restricted to businesses with 3-digit NAICS of 811 and 812). Non-profits entities with the following designations will also be permitted to receive grant funding: 501(c)(3), 501(c)(4), and 501(c)(7).

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 sale; sales by transient merchants, Christmas tree sales or other outdoor storage; any activity constituting a nuisance; or any illegal purposes.

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

- 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 (SMEs that have already furloughed or laid off workers 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 or after 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 and is in good standing with the New Jersey Department of Labor and Workforce Development. In conjunction with Division of Taxation/Department of Treasury authority under the tax clearance certificate program established pursuant to P.L. 2007, c.101, the NJEDA will require a certification from the applicant that it

does not owe any taxes; the grant will be subject to repayment if the certification is not correct.

Finally, eligible SMEs can 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).

Application Process

Online applications will be accepted on a first-come, first-served basis, based upon the date and time which the Authority receives a completed application submission.

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 may be found at https://faq.business.nj.gov/en/collections/2198378-information-for-nj-businesses-on-the-coronavirus-outbreak.

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