

What is the status of the NJEDA Small Business Emergency Assistance Grant Program?

Written by Business.NJ.gov Team
Updated yesterday

Information for Phase 3 of the NJEDA Small Business Emergency Assistance Grant

Mandatory Pre-Registration and Application Periods

Interested business owners will need to pre-register to receive an application. Pre-registration will begin on Monday, October 19th at 9:00am and will close on Tuesday, October 27th at 5:00pm. The application will be available via a phased approach following the end of the pre-registration period, as detailed below. Applicants must complete the full application to be considered for grant funding.

Phase 3 of the Grant Program will likely be oversubscribed. To streamline the application process, the Authority is requiring all applicants to pre-register online. Applications will become available on a rolling basis following the pre-registration period. Pre-registered applicants will need to return to complete an application based on the following schedule:

- Restaurants – 9:00 a.m. on Thursday, October 29, 2020
- Micro businesses – 9:00 a.m. on Friday, October 30, 2020
- All other businesses, excluding restaurants and micro businesses – 9:00 am on Monday, November 2, 2020

Applications for each category will be open for a period of one week will be accepted on a first-come, first-served basis.

To prepare for the pre-registration process, please review the [Sample of the Pre-Registration Process](#).

Translated copies of the phase 3 pre-registration process are available in the following languages: [Spanish](#), [Arabic](#), [Mandarin](#), [Cantonese](#), [Gujarati](#), [Hindi](#), [Italian](#), [Korean](#), [Polish](#), [Portuguese](#), and [Tagalog](#). Because the live pre-registration will only be available in English and Spanish, please contact NJEDA at languagehelp@njeda.com should you require translation assistance.

Phase 3 Program Overview and Eligibility

NJEDA will award a total of \$70 million in federal CARES Act funding to small businesses. Any business or nonprofit located in New Jersey, including home-based businesses, with 50 or fewer full-time equivalent employees (FTEs) is eligible to receive grant funding during Phase 3. Businesses that received funding in previous phases of the program are eligible to receive Phase 3 funding.

Grant awards will be calculated based on the number of FTEs businesses employ.

- Eligible Micro-businesses with five or fewer FTEs and sole proprietorships will receive up to \$5,000
- Eligible Businesses with six to 25 FTEs will receive up to \$10,000
- Eligible Businesses with 26 to 50 FTEs will receive up to \$15,000.

For businesses that are classified as "Food Services and Drinking Places" (NAICS code 722) ONLY:

- Eligible Businesses in this classification with five or fewer employees will receive up to \$10,000
- Eligible Businesses with six to 25 FTEs will receive up to \$15,000
- Eligible Businesses with 26 to 50 FTEs will receive up to \$20,000

Please use the [NJEDA Phase 3 Grant Eligibility Estimator](#) and [NJEDA Phase 3 Grant Size Estimator](#) to understand your businesses' eligibility.

Your organization may use Phase 3 grant funding to...

Reimburse revenue lost as a result of a business interruption caused by COVID-19. Businesses may not use the funding for capital expenses.

Funding Allocation

NJEDA is targeting Phase 3 grants to restaurants, micro-businesses, and businesses in census tracts that were eligible to be designated as Opportunity Zones. \$35 million of funding will be dedicated to support businesses classified as "Food Services and Drinking Places" under NAICS code 722 and \$15 million will be directed to support "micro-businesses" that have five or fewer FTEs. The remaining \$20 million will be available to support any eligible business.

In line with Governor Murphy's commitment to a stronger, fairer recovery, 33 percent of each of these pools of funding (\$11.55 million of the "Food Services and Drinking Places" funding, \$4.95 million of the Micro-businesses funding, and \$6.6 million of the other small businesses funding) will be directed to businesses [located in one of the 715 census tracts that were eligible to be selected as a New Jersey Opportunity Zone](#).

[This census tract map is provided as a courtesy and for informational purposes only. The link directs you to a site not hosted by the State. Although the data used by that website may have been provided by NJEDA as a courtesy to the public, the State and NJEDA are not responsible for and make no representation with regard to any information or content on that website. The State and NJEDA may use the same software and information to review grant applications but reserves the right to use any other appropriate software and/or information to determine the location of an application in relation to Opportunity Zone eligible census tracts.]

Information for Phase 2 of the NJEDA Small Business Emergency Assistance Grant

Applications for the expanded [Small Business Emergency Assistance Grant Program Phase 2 \(PDF\)](#) opened June 9, 2020, in both English and Spanish. NJEDA staff will process the applications on a first-come, first-served basis. There is no application fee. The application period is now closed. Businesses can now [check Phase 2 Grant Application Status online](#).

To assist businesses with application preparations, translated copies of the application are available now in the following languages: [English](#), [Spanish](#), [Arabic](#), [Mandarin](#), [Cantonese](#), [Gujarati](#), [Hindi](#), [Italian](#), [Korean](#), [Polish](#), [Portuguese](#), and [Tagalog](#). Because the live application will only be available in English and Spanish, please contact NJEDA at languagehelp@njeda.com should you require translation assistance.

Phase 2 Program Overview and Eligibility

NJEDA will award a total of \$45 million in federal CARES Act funding to small businesses. To support the Governor's commitment to diversity and inclusion, \$15 million will be reserved for businesses in Opportunity Zone-eligible census tracts, \$15 million of Phase 2 funding will be set aside to support qualified businesses [located in one of the 715 census tracts that were eligible to be selected as a New Jersey Opportunity Zone](#).

[This census tract map is provided as a courtesy and for informational purposes only. The link directs you to a site not hosted by the State. Although the data used by that website may have been provided by NJEDA as a courtesy to the public, the State and NJEDA are not responsible for and make no representation with regard to any information or content on that website. The State and NJEDA may use the same software and information to review grant applications but reserves the right to use any other appropriate software and/or information to determine the location of an application in relation to Opportunity Zone eligible census tracts.]

Additionally, all NAICS code restrictions from Phase 1 of the grant will be removed for Phase 2.

Your organization may use Phase 2 grant funding to...

Reimburse revenue lost as a result of a business interruption caused by COVID-19. Funding cannot be used for capital expenses, including construction.

Phase 2 Grant Award Amounts

Businesses will receive \$1,000 per full-time employee, (based on WR-30 filing). Sole proprietorships or other companies with no full-time employees will receive the minimum grant amount (\$1,000).

- Minimum grant amount (per application): \$1,000
- Maximum grant amount (per application): \$10,000 (for entities with more than 10 FTEs)

Your organization is eligible for a Phase 2 Emergency Relief Grant if...

- You have 25 or fewer full-time employees, as reported on most recent WR-30 filing with the New Jersey Department of Labor
- You have a physical commercial location in the State of New Jersey
- Home-based businesses must be based at a home located in New Jersey
- **UPDATED 6/8/2020:** All types of 501(c)(6) non-profits will likely now be eligible for grants. This includes 501(c)(6) organizations, the designation for membership-based business and industry groups, as well as 501(c)(19) veterans' organizations. *While this change in eligibility is contingent upon approval of the NJEDA Board, all 501(c) organizations can apply for funding along with other eligible small businesses and non-profit organizations to enable them to apply before the program becomes oversubscribed.*
- Your CEO certifies that your business: 1) Was in operation on February 15, 2020; 2) 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; 3) Has been negatively impacted by the COVID-19 declared state of emergency on March 9, 2020; 4) Has a material financial need that cannot be overcome without the grant of emergency relief funds
- Your Business: 1) Is registered to do business in the State of New Jersey; 2) Does not have any outstanding tax liabilities; 3) Is in good standing with the New Jersey Department of Labor

You can [learn about other NJEDA programs](#) and see what you may qualify for using the [NJ COVID-19 Business Support Eligibility Wizard](#). Explore how NJEDA determines grant size with the [Grant Size Estimator](#).

To address the massive need for support, the **NJEDA has created a program for corporate and philanthropic partners to make donations to further expand the Program**. For the NJEDA to effectively administer the Program, gifts to support the Small Business Emergency Assistance Grant Program must be at least \$100,000 and without conditions. To avoid conflicts of interest, donors must have no existing contracts with the NJEDA and may not enter into such a contract for at least six months. **Individuals and companies interested in donating to support the Small Business Emergency Assistance Grant Program should contact donation@njeda.com.**

Information from Phase 1 of Grant Funding

Applications for the NJEDA's Small Business Emergency Assistance Grant Program launched on April 3rd, 2020. Within an hour the program was oversubscribed; within a week the NJEDA received more than 30,000 applications. As of May 22, 2020, NJEDA is providing an additional \$5 million to fund waitlisted applicants.

Businesses can access the full [Notice of Funding Availability](#).

The grant program will provide funding as efficiently and quickly as possible to SMEs that are in need. The focus of this round of funding is on the smallest enterprises in industries that are among the most adversely impacted by the COVID-19 containment measures.

The goal of the grants is to try to preserve the ability for SMEs to support and maintain a workforce during this containment period that is as close to pre-outbreak levels as possible.

The Small Business Emergency Assistance Grant Program will **provide up to \$5,000 to NJ-based SMEs that have between 1-10 full time equivalent employees ("FTE")**. The grant funding is targeted as unrestricted payroll and working capital support, and cannot be used for any capital expenses, including construction.

Grant values are calculated at \$1,000 per FTEs reported on business' WR-30 filed with the New Jersey Department of Labor and Workforce Development.

- Minimum grant amount (per application): \$1,000
- Maximum grant amount (per application): \$5,000

Total available funding of up to \$5 million of which \$3 million of the program funds will be set aside for SMEs with 5 or fewer FTEs.

Your organization is eligible for the Small Business Emergency Assistance Grant if you...

- Have between 1 and 10 FTEs. This means companies non-employee companies (holding), companies that have between 1-10 FTE utilizing 1099 employees, and larger firms are not eligible for this round of grant funding.
- Have a physical commercial location in the State of New Jersey. Home-based businesses are not eligible for this round of grant funding. A home-based business is a business operated out of a residential property where commercial activity is not zoned to take place.
- Are classified in one of the following industries: *Retail* (NAICS codes starting with 44... or 45...), *Accommodation & food services* (NAICS codes starting with 72...), *Arts, entertainment & recreation* (NAICS codes starting with 71...), *Other services* (only those with NAICS codes starting with 811... and 812). You can look up your NAICS code at naics.com/search
- Are registered to do business in the State of New Jersey.
- Must certify that the company is in good tax standing with the State
- Are in good standing with the Department of Labor and Workforce Development, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor and Workforce Development.
- Non-profit organizations are eligible for this program. Eligible non-profits must have status of 501(c)(3), 501(c)(4), 501(c)(7)

The CEO of the business must certify that the business:

1. 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.
2. Has been negatively impacted by the COVID-19 declared state of emergency in Executive Order 103 (e.g., has been temporarily shut down, has been required to reduce hours, has had at least a 20% 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).
3. 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).

Types of businesses **not** eligible:

- Related to gambling or gaming activities
- Related to the purveyance of "adult" (i.e., pornographic, lewd, prurient, obscene) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices)
- Auction or bankruptcy or fire or "lost-our-lease" or "going-out-of-business" or similar sale
- Traveling merchants
- Christmas tree sales or other outdoor storage
- Any other activity constituting a nuisance
- Illegal under the laws of the State of New Jersey

No fees will be collected by the authority for this program and funding will be fully disbursed as quickly as possible upon approval of grant application.

In order to apply for the grant, businesses will need to provide the following...

Contact information for someone who is authorized to speak on behalf of your company. For example: an owner or an executive such as a CEO or Executive Director

Basic information about your company.

1. Registered legal name and "Doing Business As" name. To confirm your organization's registered legal name, visit [Business Name Search](#).
2. Federal Employer Identification Number (EIN)
3. Year your company was established
4. Full-time employees as of December 31, 2019 and Part-Time Employees as of December 31, 2019

Your organization's industry as defined by your NAICS code. To confirm your NAICS code, check your federal tax filing or use this site to look up your NAICS code: naics.com/search.

Be able to answer the State's basic debarment question. To see the full application and read the State debarment questions, you may access a [copy of the loan application now](#).

Be able to affirmatively answer and/or certify that:

1. You are not a home-based business. A home-based business is a business operated out of a residential property where commercial activity is not zoned to take place.
2. You are not a prohibited business.
3. You have been impacted by the COVID-19 outbreak.
4. You have a material financial need that cannot be overcome without the grant funds.
5. You will make a best effort not to lay off any additional employees and re-hire any whom you have already laid off.
6. Information you are providing is correct.
7. You will allow the NJEDA to check your entries against other State sources of data.

Updated: October 17, 2020

Source: NJEDA

Did this answer your question?

