

## Act Fast on New Grants for NJ Small Businesses: Applications Open June 9 for Phase 2 of NJEDA Small Business Emergency Assistance Grants

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The New Jersey Economic Development Authority (NJEDA) has announced that applications for its \$50 million Phase 2 expansion of the Small Business Emergency Assistance Grant Program will be available on **June 9, 2020 at 9:00am**.

As the Phase 1 round of \$5 million in funding for the grant program was depleted within an hour after applications went live in April, **interested borrowers are urged to act quickly** on this new funding opportunity as applications will be processed on a first-come, first-served basis. There is no application fee.

The NJEDA received an additional \$50 million from the federal Coronavirus Relief Fund established under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act to support small businesses and mitigate the economic impact of the COVID-19 pandemic. Phase 2 of the Grant Program will provide an additional \$5 million to fund businesses that were waitlisted during Phase I, and \$45 million to fund grants up to \$10,000 to a broader range of businesses than were previously eligible under Phase I.

In an effort to ensure that funding goes to those businesses and communities most in need of assistance, and to support NJ Governor Phil Murphy's commitment to diversity and inclusion, \$15 million of Phase 2 funding will be appropriated for businesses in New Jersey Opportunity Zone-eligible census tracts. Business owners can determine whether their business is located in an Opportunity Zone by using the **OZ Mapping Tool** on the State of New Jersey website.

Grant amounts will be calculated at \$1,000 per full-time employee, with a maximum grant award of \$10,000 for applicants with 10 or more full-time employees. Sole proprietorships and other entities with no full-time employees will be eligible for a grant of \$1,000. The grants are targeted as unrestricted payroll and working capital support and cannot be used for any capital expenses, including construction. Grant funds can be used to reimburse revenue lost as a result of business interruption caused by COVID-19.

Phase 2 of the grant program makes grants available to home-based businesses and sole proprietorships, which were ineligible during Phase 1. Eligible applicants must be registered to do business in New Jersey, must be in good standing with the New Jersey Department of Labor and Workforce Development and cannot have any outstanding tax liabilities.

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Additional eligibility changes for Phase 2 of the grant program include increasing the employee cap for businesses from 10 full-time employees to 25; removing the NAICS code restrictions that were in place for Phase 1; and allowing 501(c)(3), 501 (c)(4), and 501(c)(7) nonprofit organizations to qualify for funding.

As part of the application, the applicant's CEO or equivalent officer must certify that the company:

- was in operation on February 15, 2020;
- has been negatively impacted by the COVID-19 pandemic;
- will make a best effort not to furlough or lay off any employees through six months after the end of the current public health emergency; and
- has a material financial need that cannot be overcome without the grant.

To comply with duplication of benefits provisions within the Stafford Act, all applicants will also be required to fill out an affidavit identifying all funding previously received related to the COVID-19 pandemic, including Small Business Administration (SBA) loans and grants, forgivable portions of Payroll Protection Program (PPP) loans, and Economic Injury Disaster Loan (EIDL) grants.

A sample application and additional information is available here: **Grant Application Screen Shots**.

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