



New Jersey Economic Development Authority (NJEDA) **Small Business Improvement Grant Program** ***Notice of Funding Availability***

The New Jersey Economic Development Authority (NJEDA) will begin accepting applications for the *Small Business Improvement Grant Program* at 10:00 a.m. EST on Thursday, February 10, 2022. The application can be accessed at <https://www.njeda.com/small-business-improvement-grant/>. Applications will be reviewed on a first come, first served basis. A \$100 approval fee is required after the application has been reviewed and prior to execution of a grant agreement.

Purpose

The *Small Business Improvement Grant Program* offers reimbursement to small businesses for costs associated with making building improvements or purchasing new furniture, fixtures and equipment. This grant will reimburse a small business for 50 percent of total eligible project costs incurred after March 9, 2020, but no more than 2 years prior to the application date.

Overview

On August 11, 2021, NJEDA's Board approved the creation of the Main Street Recovery Finance Program, which established the Small Business Lease Grant and the Small Business Improvement Grant to support eligible small business with facility improvements. The NJEDA began accepting applications for the Small Business Lease Grant in October 2021.

Program Details

The *Small Business Improvement Grant Program* will provide grants of up to \$50,000 to New Jersey-based small businesses and nonprofits to reimburse business owners for costs associated with making interior or exterior building improvements or purchasing and installing new furniture, fixtures and equipment. The grant will reimburse a small business eligible for assistance from the United States Small Business Administration (SBA) for 50 percent of eligible total project costs incurred after March 9, 2020, but no more than 2 years prior to the application date. Additional eligibility criteria apply. Currently, the program has \$15 million in funding; it may be expanded as additional funds become available. Forty percent of all funding is set-aside for businesses located in eligible NJ Opportunity Zone census tracts.

Eligibility

The *Small Business Improvement Grant* is reimbursement based. A business must have completed the capital improvements or purchased and/or installed the new furniture, fixtures and equipment.

To be eligible under the program, applicants must:

- Rent or own and operate from the facility. Landlords are not eligible under this program.
- Meet SBA's definition of Small Business based on the North American Industry Classification System (NAICS).

- Have a total project cost of at least \$5,000, and have incurred that cost on or after March 9, 2020, with the capital improvement work having commenced no more 2 years prior to date of application.
- Provide a WR-30 or equivalent payroll documentation.
- Provide a current tax clearance certificate prior to approval.
- Be in good standing with the Department of Labor.
- Be in good standing with the Department of Environmental Protection.
- Certify at application that they are not in default with any other EDA or State assistance.
- Certify that all the information and documentation provided to the NJEDA is true and accurate.

Businesses defined as “home-based businesses” may only receive reimbursement for new equipment purchased and/or installed. Home-based businesses are not eligible for reimbursement for renovation or improvement projects. Non-profits and for-profit businesses are eligible to apply. Applicants are eligible to receive a Small Business Lease Grant and *Small Business Improvement Grant* for the same location. Applicants are limited to one application per Employer Identification Number (EIN). Applicants operating from multiple locations under a single EIN are limited to one application under the sole EIN, but may pool project costs from multiple locations into a single application.

After execution of the grant agreement, the receiving entity must:

- Commit to paying each full-time and part-time employee not less than \$15 per hour or 120 percent of the minimum wage, whichever is higher. For tipped employees, the small business shall not pay less than 120 percent of the minimum wage. Businesses that receive grant funding of up to \$25,000 must comply with these wage requirements for two years. Businesses that receive grant funding of greater than \$25,000 must comply with these wage requirements for four years. Non-compliance with these wage requirements will result in repayment of the grant to the NJEDA.
- Remain in the location for a period of time based on the amount of the grant. For grants of up to \$25,000, the entity must remain in the location for at least two years. For grants of greater than \$25,000, the entity must remain in the location for at least four years. Non-compliance with this requirement will result in repayment of the grant to the NJEDA.

Additional eligibility requirements may apply to ensure that the applicant is eligible. This may include, but is not limited to:

- An acknowledgement and agreement that grant proceeds be applied to eligible uses only.
- Projects with costs over \$50,000 must comply with Green Building Standards for lighting and mechanical work.
- Affirmative action standards apply to contractors with four or more employees.

Finally, 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; any activity constituting a nuisance; or any illegal purposes.

Eligible Uses

Under the *Small Business Improvement Grant*, funding can only be used to reimburse business owners for costs associated with making interior or exterior building improvements or purchasing and installing new furniture, fixtures and equipment. Home-based businesses may only receive reimbursement for new equipment purchases and/or installation. Home-based businesses are not eligible for reimbursement for renovation or improvement projects.

Grant Amounts

The minimum project cost is \$5,000 and the maximum grant amount is \$50,000.

Application Process

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

Fees

A \$100 approval fee is required after the application has been reviewed and prior to execution of a grant agreement.

Additional Information

Comprehensive information about the Small Business Improvement Grant Program is available at <https://www.njeda.com/small-business-improvement-grant/>.