

# **New Jersey Economic Development Authority (NJEDA)**

## **Notice of Funding Availability**

### **Sustain & Serve NJ**

The New Jersey Economic Development Authority (NJEDA) will begin accepting applications for Phase 3 of the *Sustain & Serve New Jersey (SSNJ)* program on Tuesday, March 1, 2022 at 12:00 PM. The application can be accessed at <https://www.njeda.com/sustain-and-serve/>. The deadline to apply for SSNJ Phase 3 is Friday, April 1 at 5:00 PM. NJEDA will collect no application fees for this program.

#### *Purpose*

The purpose of the Sustain & Serve New Jersey Program (SSNJ) is to provide support to New Jersey-based nonprofit organizations purchasing meals from COVID-19 pandemic-impacted restaurants and distributing them to New Jerseyans in need for free.

#### *Overview*

During the COVID-19 pandemic, New Jerseyans have struggled to put food on the table. According to the U.S. Census Bureau's Household Pulse survey, more than 440,000 New Jersey households reported not having enough food to eat in the last seven days.

Simultaneously, the nonprofit community that serves individuals impacted by the pandemic has faced vast increases in demand for services without commensurate funding. The Center for Nonprofits reported that in 2020 nearly 50 percent of nonprofit organizations in New Jersey experienced increased demand for services, but only one-third indicated that their funding had risen and of those many reported that their funding had not risen commensurate with the level of need. Thus, indicating a significant gap in compensated services as a direct result of the pandemic.

SSNJ has allowed nonprofit organizations to address the significant increase in demand for meals while simultaneously supporting restaurants impacted by COVID-19.

#### *Program Details*

Under the program, up to \$10 million of funding through the American Rescue Plan (ARP) will be utilized for grants of a minimum of \$100,000 and maximum of \$2 million to nonprofits for prospective expenses associated with restaurant meal purchase and distribution. Grantees may also use up to 10 percent of their award to support operating costs directly associated with implementation of the program.

#### *Eligibility*

SSNJ is open to 501(c)(3) and 501(c)(19) non-profit organizations, as defined by the US Internal Revenue Service (IRS) or New Jersey Division of Consumer Affairs, that can demonstrate the below criteria. Grantees of Phase 1 or Phase 2 of SSNJ are eligible to apply for additional funds and may not be required to resubmit all eligibility documentation.

1. Classification under one of the following North American Industry Classification System (NAICS) codes:

- a. NAICS code 611 (Educational services)
  - b. NAICS code 62 (Social assistance and health care organizations, inclusive of NAICS code 624210)
  - c. NAICS code 813 (Religious, grantmaking, civic, professional, and similar organizations)
  - d. NAICS code 92 (Public administration).
2. Check against the Federal System for Award Management (SAM) to ensure entity is not debarred.
  3. Good standing with the Department of Labor.
  4. A tax clearance certificate from the New Jersey Division of Taxation.
  5. Invoices and receipts demonstrating purchases of 1,500 or more meals by the organization from any New Jersey-based restaurant(s) totaling at least \$25,000, purchased between March 9, 2020 and March 1, 2022. Invoices must include, at minimum: restaurant name, date(s) of purchase, description of purchase(s), quantity purchased, and total cost.
    - a. Meal donations from restaurants (i.e., entities classified as “Food Services and Drinking Places” under NAICS code 722 or “Community meals, social services” under NAICS code 624210) may be counted toward up to 50 percent of the past purchase requirement (up to 750 meals and \$12,500), so long as the applicant can produce invoices from restaurant donors verifying the number of meals and monetary value of the donated meals.
  6. The organization has experienced increased costs as a result of the pandemic’s impacts, which may be demonstrated through means including, but not limited to increased levels of program service demand and delivery, uncompensated increases in service need, decreased revenue, or challenges covering payroll or other operating costs.

In addition, applicants must provide a list the restaurants that they anticipate purchasing from if they receive a SSNJ grant. In order to receive reimbursement, grantees may only purchase meals from restaurants that meet the following requirements:

- Classified as “Food Services and Drinking Places” under NAICS code 722 or “Community meals, social services” under NAICS code 624210;
- 50 or fewer full-time equivalent (FTE) employees at time of application, based on the company’s Q4 2021 WR-30 filing with NJDOL. If a restaurant has zero FTE employees and is not required to submit a WR-30 to NJDOL, they may submit an IRS form 1040;
- Physical commercial location in the State of New Jersey;
- Be in good standing with the New Jersey Division of Taxation;
- Be in good standing with the NJDOL;
- If regulated by the Division of Alcoholic Beverage Control (ABC), in the Department of Law and Public Safety, be in good standing with ABC;
- Check against SAM to ensure entity is not debarred; Current and valid certification from municipal and/or county government inspection that the restaurant has received a rating of Satisfactory as per New Jersey Retail Food Establishment Rating system; Attestation that

the restaurant was in operation on June 4, 2021, and has been negatively impacted by the COVID-19 declared State of Emergency on March 9, 2020 (e.g., was temporarily shut down, was forced to reduce hours, has had a 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

- Any additional eligibility requirements that may apply.

To demonstrate eligibility, restaurants will be required to submit:

- 1) Form attesting that the restaurant was in operation prior to June 4, 2021 and has been negatively impacted by the COVID-19 declared State of Emergency on March 9, 2020. After the applicant submits their Sustain & Serve NJ application, this form will be sent by NJEDA directly to restaurants listed in that application.
- 2) Current and valid certification from municipal and/or county government inspection that the restaurant has received a rating of Satisfactory as per New Jersey Retail Food Establishment Rating system.
- 3) If an entity does not file WR-30 forms with NJDOL, a copy of IRS form 1040 verifying the restaurant has no FTE employees.

**Restaurants may not directly apply for this grant.** Restaurants interested in the program can contact an entity with an established bulk meal purchasing and distribution program to discuss potential participation. A list of Phase 1 SSNJ grantees can be found [here](#), Phase 2 grantees can be found [here](#). Restaurants may also opt to have their business publicly [listed](#). To list your restaurant, please fill out this [form](#). Potential grant applicants may choose to refer to this registry and contact restaurants about participating in SSNJ. Inclusion on this list is not an endorsement from NJEDA. All parties are strongly advised to exercise due diligence. Current participating restaurants in Phase 2 of SSNJ may not be required to resubmit all eligibility documentation.

**Community meal/social services entities classified under the NAICS code 624210 may apply directly for SSNJ and serve as grantee organizations.** However, any grant applicant classified under NAICS code 624210 cannot also serve as a meal provider for their organization or for any other SSNJ applicant or grantee organization(s) (i.e., they cannot purchase meals from themselves and other grantees cannot purchase from them). Entities under NAICS code 624210 that choose to apply directly as a grantee organization must include in their application at least one other restaurant(s) from which they will purchase meals. Applicants classified under NAICS code 624210 may purchase meals from other entities under 624210, but they must not share an Employer Identification Number (EIN). Finally, entities under NAICS code 624210 that serve as meal providers (i.e., not a grantee) may work with one or more applicants.

Finally, businesses prohibited from eligibility include, but are not limited to: gambling or gaming activities; 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.

*Eligible Uses*

Under SSNJ, grant funding may be used for direct costs associated with bulk purchasing of meals that are projected to be incurred between date of grant execution and December 31, 2022 for: the restaurant's food and ingredients costs; labor, packaging, and facilities; delivery fees charged by the restaurant; and any profit margin for the restaurant.

Up to 10% of a grant award may be used toward operational costs incurred by the grantee organization directly related to the implementation of SSNJ. Allowable operational costs include: staff salaries and fringe (proportionate to the amount of staff time dedicated to the program), mileage for meal deliveries completed by the grantee organization, payments to vendors that assist with monitoring and invoicing meal purchases (e.g., an accounting or professional services firm), and supplies needed to operate the program.

As part of the Serve and Sustain NJ Program requirements, the grantee is prohibited from reselling any meals purchased with grant funding and is prohibited from distributing meals to paid staff of the grantee organization.

#### *Grant Amounts*

Under SSNJ, the minimum available grant amount is \$100,000 and the maximum available grant amount is \$2 million. Grant awards are inclusive of both the cost of meal purchases (90 percent or more of an award) and operational costs (up to 10 percent of an award). Meal purchases will be reimbursed based on a flat rate per meal. Although there is no exclusion for entities purchasing meals from restaurants at more than \$12 per meal, reimbursement by NJEDA will be capped at \$12 per meal.

As part of the application for grant funding, entities will request a grant amount between \$100,000 and \$2 million. As part of that request, applicants may request up to 10 percent of that amount (up to \$200,000) be used for eligible operational expenses. All other funds must support the direct cost of meal purchases. Applicants that spend less than 10 percent of their award on operating costs may dedicate remaining funds toward the purchase of more meals.

Once NJEDA receives all applications, if the total amount of grant funding requested among all eligible applications exceeds the \$10 million available for SSNJ, NJEDA will prorate grant awards based upon the amount determined for each eligible applicant, reducing all grant awards to reflect an eligible applicant's share of the available pool. If the pool of available funds cannot be prorated such that each eligible applicant would receive a minimum \$100,000 award, NJEDA will split the funds equally across all eligible applicants.

#### *Funding Disbursement*

SSNJ is a reimbursement-based grant. For each grant award, the total amount will be disbursed incrementally as eligible expenses are incurred and disbursement is requested from NJEDA by the grantee. The disbursement requests must be evidenced by documentation showing that the expenses were actually incurred and consistent with eligible uses of grant funding (e.g., invoices from eligible restaurants demonstrating the quantity of meals purchased, the cost per meal, and the restaurant from which the meals were purchased; staff timesheets indicating time spent on SSNJ).

During the term of the grant, the grantee may seek to change or add participating restaurant(s) from which they may purchase meals and receive reimbursement through SSNJ. Requests for changes or additions to restaurants must be made in writing and will be reviewed by NJEDA.

### *Application Process*

Online applications will be accepted from March 1, 2022 (12:00 PM) to April 1, 2022 (5:00 PM). All complete applications will be reviewed following the closure of the application period.

Applications for SSNJ are completed in **three steps**.

- 1) Interested nonprofits must submit an application, including a list of proposed restaurants.
- 2) Listed restaurants will then receive a short form directly from NJEDA, which each restaurant must complete and send to the interested nonprofit.
- 3) Interested nonprofits must review each restaurant's submission, approve it, and sent to NJEDA. Approvals must be completed and submitted to NJEDA by the interested nonprofit before the application deadline.

Applicants should allow sufficient time for submission of both their own and their listed restaurants' materials. Applicants that have not completed all three steps for at least one restaurant will be considered incomplete.

### *Fees*

Due to financial hardship of the nonprofit organizations that are eligible applicants, NJEDA will collect no fees from the applicant for this program.

### *Additional Information*

Additional information on the Sustain & Serve NJ Program may be found on the NJEDA's website: <https://www.njeda.com/sustain-and-serve/>.

If you need language assistance, please send NJEDA your name, spoken language and telephone number to [languagehelp@njeda.com](mailto:languagehelp@njeda.com).