



New Jersey Economic Development Authority Expanding Small Business Emergency Grant Program

Client Advisories

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The New Jersey Economic Development Authority (EDA) has announced that it will provide an additional \$50 million in grants to small businesses that have been adversely impacted by the COVID-19 pandemic. This follows Governor Murphy's announcement that he would be allocating federal CARES Act funds received by the State to small business assistance programs. The EDA's announcement provides additional funding to its Small Business Emergency Grant Program. This program provides grants of up to \$10,000 to qualifying businesses and the program was oversubscribed within an hour of launching. The EDA now plans on providing an additional \$5 million to fund applications that were waitlisted due to demand. The remaining \$45 million will be used to provide grants (up to \$10,000) to a broader range of businesses than were previously eligible when the program initially began in April. The program will now be available to home-based businesses, sole proprietors, nonprofits and small businesses with a slightly larger number of employees than previous permitted.

More specifically, the EDA has expended eligibility in this round of grant funding to increase the employee cap on businesses from 10 full-time employees to 25 full-time employees. Further, the NAICS code restrictions that were established in April have been removed such that nearly all small businesses, as well as 501(c)(3), 501(c)(4), and 501(c)(7) nonprofit organizations, now qualify for funding. The EDA will reserve \$15 million of its funds to provide grants to businesses that are located in census tracts that are eligible to be designated as Opportunity Zones.

As part of the application, a business's Chief Executive Officer (or equivalent) must certify that the company was in operation on February 15, 2020, has been negatively impacted by the COVID-19 outbreak, and will make a best effort not to furlough or lay off any employees. Applicants will also be required to fill out an affidavit identifying all funding previously received related to COVID-19, including Small Business Administration loans and grants, forgivable portions of Payroll Protection loans, and Economic Injury Disaster grants as federal funds contain prohibitions on duplication of benefit payments.

The EDA has indicated that applications will soon be made available and will be processed on a first-come, first-served basis. Additional information can be found [here](#).

For questions regarding this program, please reach out to your Archer contact or any member of **Archer's COVID-19 Task Force**.

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