



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 9, 2022

SUBJECT: Sustain & Serve NJ – Program Enhancements

Summary

The Members are asked to approve:

1. Enhancements to the Sustain & Serve NJ Program for Phase 3 and any subsequent program phases. Sustain & Serve NJ is a program that makes grant funding available to eligible nonprofit organizations for increases in costs associated with purchasing meals from New Jersey-based restaurants that have been negatively impacted by COVID-19 and distributing those meals at no cost;
2. Delegation to Authority staff (Chief Executive Officer or Chief Legal and Strategic Affairs Officer) to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Community Affairs (DCA) to accept and use \$10 million in American Rescue Plan (ARP) Coronavirus State Fiscal Recovery Funds (CSFRF) for the purposes of funding eligible grant requests under the Sustain & Serve NJ Program, and agree to comply with federal requirements for the use of those funds;
3. Delegation to Authority staff (any Executive Vice President), upon recommendation of the reviewing officer, to approve individual applications to the Sustain & Serve NJ Program in accordance with the terms set forth in this memo and the attached program specifications. Because the specifications are streamlined and will result in non-discretionary decisions, staff requests the delegated authority to decline and issue final administrative decisions;
4. Delegation to Authority staff (Chief Executive Officer, Chief Community Development Officer, Chief Legal and Strategic Initiatives Officer, or any Executive Vice President) to set and extend the deadline for spending, if necessary, contingent upon the timeframe complying with applicable federal and Treasury requirements for the use of those funds;

5. Delegation to Authority staff (Chief Executive Officer, Chief Legal and Strategic Affairs Officer, or any Executive Vice President) to accept up to \$50,000,000 in additional funds to expand the funding pool for this program from any available governmental (Federal, State or County) funding and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program; and
6. Delegation to Authority staff (Chief Executive Officer or any Executive Vice President) to accept unencumbered gifts or unrestricted governmental (Federal, State, or County) funds for the purposes of expanding the funding pool of the Sustain & Serve NJ program.

Background

On March 9, 2020, Governor Phil Murphy issued Executive Order 103, declaring a State of Emergency and a Public Health Emergency to ramp up New Jersey's efforts to contain the spread of COVID-19. While the Public Health Emergency was ended on June 4, 2021, recent surges in COVID-19 infections and the possibility of further outbreaks continue to threaten the economic stability of New Jersey businesses and families, necessitating continued support. On January 11, 2022, Governor Murphy reinstated the Public Health Emergency under Executive Order 280.

During this time, New Jersey individuals and families 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 7 days.

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

Sustain & Serve NJ (SSNJ) has been one avenue that has allowed nonprofit organizations to address the significant increase in demand for meals while simultaneously supporting restaurants that have been impacted by COVID-19. While the need for meals has increased, capacity at the nonprofits has not been able to keep up. Enhancements described below to the Sustain & Serve NJ program are proposed to assist these nonprofits.

Sustain & Serve NJ was first approved by the Board in November 2020 with \$2 million in Economic Recovery Funds (ERF). The application was launched in December 2020 and the program was quickly oversubscribed. In February 2021, the Board approved an MOU with the NJ Department of Treasury to allocate \$2,400,000 in Coronavirus Relief Funds (CRF) and reallocate \$10,407,850 in unused CRF from other Authority programs to meet all eligible requests, as well as delegated authority to the Chief Executive Officer to accept additional funds

for the program. With the support of the Governor and State Legislature, the Authority received an additional \$21 million—a combination of CRF and State funds—to fund a second phase of the program, launched in June 2020.

Since February 2021, the Authority has awarded nearly \$34 million in reimbursement-based grants to 31 entities working with over 400 restaurants in all 21 of New Jersey’s counties. Grantees have been diverse, ranging from large hospitals, to small, grassroots organizations formed directly in response to COVID-19, to soup kitchens, food banks and other established social service providers. Each has taken a unique approach to supporting the restaurants and broader community, resulting in the purchase and distribution of more than 3 million meals in less than one year.

On November 5, 2021, Governor Phil Murphy announced the dedication of \$10,000,000 of federal American Rescue Plan Coronavirus State Fiscal Recovery Funds (ARP CSFRF) toward a third phase of Sustain & Serve NJ.

Program Enhancements

While the first two phases of the program have been a resounding success, staff proposes to make the following enhancements to the program, in accordance with final rules under the American Rescue Plan Coronavirus State Fiscal Recovery Funds (ARP CSFRF) and amendments to the Economic Recovery Fund Act in N.J.S.A § 34:1B-7.13(a)(13):

Eligibility: Under Phase 3 and any subsequent phases of the program, staff recommends limiting eligibility to 501(c)(3) or 501(c)(19) nonprofit organizations that operate under a limited number of NAICS codes (listed below). By limiting eligibility to nonprofits with these NAICS codes, EDA will incorporate the knowledge acquired in the first two phases about the entities active in this area and that have the greatest needs without excluding any prior Phase 1 or Phase 2 grantees from potential eligibility.

Under the first two phases of the program, eligibility was broader, open to any entity that could demonstrate: (1) legal registration to do business in the State of New Jersey; (2) good standing with the Department of Labor and Workforce Development; (3) tax clearance certificate from the New Jersey Division of Taxation; (4) the entity is not barred from receiving federal funds; and (5) prior experience bulk purchasing meals, demonstrated by documents verifying purchases of 3,000 or more meals made by the entity from any New Jersey-based restaurant(s) totaling at least \$50,000, purchased between March 9, 2020 and the date of application launch.

Through the first two phases of the program, there was no NAICS code requirement, but all entities receiving grants have fallen into four NAICS codes, listed below. The Authority has found that entities under these NAICS codes have demonstrated an ability to purchase and effectively distribute meals at no-cost. Staff recommends that grantees for Phase 3 and any subsequent program phases be limited to nonprofit organizations in the following NAICS codes:

- NAICS code 611 (Educational services)

- NAICS code 62 (Social assistance and health care organizations; inclusive of NAICS code 624210, described below)
- NAICS code 813 (Religious, grantmaking, civic, professional, and similar organizations)
- NAICS code 92 (Public administration)

To be eligible for this funding, nonprofits must demonstrate that their 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. To be eligible, the Authority will require applicants to demonstrate their increased costs as part of the application process.

All nonprofits under these NAICS codes applying for funding through SSNJ must demonstrate a track record of bulk meal purchases from any New Jersey-based restaurant(s). The restaurants must be classified under NAICS code 722 'Food Services and Drinking Places' or NAICS code 624210 'Community meals, social services,' which is newly added this round to account for specialty catering services for some social service programs. The record of bulk meal purchases must total at least 1,500 meals costing at least \$25,000 between March 9, 2020 and the date of the application launch. Up to 50% of past purchases (i.e., up to 750 meals and \$12,500) can be from donated meals from restaurants if the applicant can produce invoices from restaurant donors verifying the number of meals and monetary value of the donated meals. Donated or purchased meals or food provided by individuals, supermarkets, or other entities not classified under NAICS code 722 or 624210 will not count toward the past purchase eligibility threshold. This threshold was lowered and amended to include meal donations to allow a broader array of entities that fall under the above NAICS codes to apply for the program who may not have met the threshold of 3,000 meals and \$50,000 in past purchases in prior phases but that have nonetheless demonstrated capacity to administer large volumes of restaurant meals.

Community meal/social services entities operating under the NAICS code 624210 are unique in that they may apply directly for Sustain & Serve NJ 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 Sustain & Serve NJ applicant or grantee organizations (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.

Like in Phases 1 and 2, all applicants must also be in good standing with the Department of Labor (with all decisions of good standing at the discretion of the Commissioner of the Department of Labor), submit a tax clearance certificate from the New Jersey Division of Taxation, and not be barred from receiving federal funds. The Authority will no longer require the collection of Business Registration Certificates (BRCs) to confirm the eligibility of applicant organizations or restaurants. A valid Tax Clearance Certificate will provide confirmation of good

standing with the Division of Taxation as well as proof of registration to do business in the State of New Jersey.

Eligible Uses: Under Phase 3 and any subsequent phases of SSNJ, staff recommends increasing the cap on meal reimbursement from \$10 to \$12 per meal. Staff also recommends permitting the grant to cover not only the direct cost of meal purchases. Grantees may also use up to 10% of the grant award for operational costs incurred due to implementation of the program. Staff recommends changing restaurant operational date from February 15, 2020 to June 4, 2021 to align with the end of the Public Health Emergency under Executive Order 103, so that restaurants that opened and operated during that period are not automatically excluded.

In the program's first two phases, all grant funding was restricted to reimbursing grantees for the direct cost of purchasing restaurant meals and operational costs were specifically excluded. The direct costs that could be reimbursed were the restaurant's cost of food and ingredients, labor, packaging, and facilities, as well as any profit margin. Sales tax, gratuity, and delivery fees could not be paid for using grant funds. While the restaurant could charge any amount to the grantee, the award amount reimbursed by the Authority was capped at \$10 per meal.

Under Phase 3 and any subsequent program phases, the Authority will reimburse grantees for direct program costs associated with:

- **Meals purchased from eligible restaurants, as detailed below, up to \$12 per meal** (raised in recognition of rising costs borne by restaurants driven by supply chain and labor concerns as well as inclusion of delivery as an allowable cost). The price per meal may include the cost incurred by the restaurant for food and ingredients, labor, packaging, and facilities costs, any profit margin the restaurant makes, and the cost of delivery (added for Phase 3 and any subsequent phases for restaurants that choose to make the meal deliveries to the grantee organization or directly to the intended recipients; if delivery is charged as a separate line item apart from the meals, the average cost of the meals inclusive of delivery charges to be reimbursed by the Authority must be \$12 per meal). While restaurants may charge more than \$12 per meal, any amount above \$12 per meal will not be reimbursed by the Authority. Sales tax and gratuity will continue to be ineligible costs as part of the price per meal.

Just as in Phases 1 and 2, grant applicants must also identify the restaurant(s) that they will be purchasing meals from using the grant funding and must demonstrate through the grant application that those restaurant(s) have met their own program eligibility parameters. In the application, the applicant would be required to identify all restaurants they are proposing to purchase from, their New Jersey physical commercial location, and provide a certification from each restaurant certifying that they were in operation on June 4, 2021 (the end of the public health emergency under Executive Order 103), and detailing how the restaurant(s) has been negatively impacted by the COVID-19 pandemic (e.g., 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). The Authority has extended the date when restaurants had to be operational from February 15, 2020 to June 4, 2021. While still focusing on the impacts of the initial Public Health Emergency, this

includes for potential eligibility an additional group of restaurants – those that opened and operated during the pandemic that likely anticipated a stronger economic recovery as cases went down and vaccinations ramped up but have faced similar economic hardships through renewed waves of the virus. Restaurants verified as eligible for participation in Sustain & Serve NJ may have some information (e.g., restaurant name, location, contact information) posted publicly on the Authority’s website.

In order to be eligible, participating restaurants must:

- (1) have a physical commercial location in New Jersey;
- (2) be in good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor
- (3) have a tax clearance certificate from the New Jersey Division of Taxation or verification by the Authority from the Division of Taxation as to good standing
- (4) for all restaurants regulated by the Division of Alcoholic Beverage Control (ABC), good standing with ABC, with all decisions of good standing at the discretion of the ABC;
- (5) 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;
- (6) not be barred from receiving federal funds; and
- (7) not have more than 50 full-time equivalent employees (FTEs) in total, at time of application, based on the company’s most recently filed WR-30 with NJDOL at the time of application, or if a company does not file a WR-30 because they have no employees, the businesses’ most recent IRS Form 1040.

Like the program’s first two phases, in Phase 3 and any subsequent phases it is anticipated that during the term of the grant, the grant recipient may have a need to add restaurants to purchase from as part of Sustain & Serve NJ. The Authority will allow the grant recipient to request an addition to its eligible restaurants. This request, which must be submitted in writing, must verify the same requirements as the initial restaurants. Requests for additions to restaurants will be reviewed by the Authority, and no changes or additions to participating can be made by the grant recipient without the Authority’s approval. Purchases from restaurants prior to confirmation by Authority will not qualify for reimbursement. If a restaurant has already been verified as eligible for one grantee, the restaurant may confirm that its information remains the same since its last eligibility verification and the prior information can be used for the later grantee, who will submit the request in writing.

- **Operational costs incurred by the grantee organization directly related to the implementation of Sustain & Serve NJ**, up to 10% of their total grant award. Staff proposes including these costs if, as permitted under the CSFRF guidelines, a nonprofit has experienced public health or negative economic impacts due to the pandemic. All operating costs must reflect increased cost to the grantee. Applicants that do not demonstrate that they have increased service needs as well as increased costs as a result of program implementation will only be able to use grant funds for meals purchases. Allowable 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.

Grantees will be required to submit documentation as defined by the Authority detailing the expenses directly associated with SSNJ meal purchases from eligible restaurants and program operations and will be reimbursed for those expenses incrementally as they are incurred upon review by the Authority. Grantees that are eligible for operating costs under Sustain & Serve NJ that incur less than 10% of their award on operating costs may dedicate remaining funds toward the purchase of more meals.

For example, a maximum Sustain & Serve NJ award of \$2,000,000 would allow grantee organizations to dedicate up to \$200,000 for operational costs to offset the increased cost of implementing the program. The remaining \$1,800,000 would be used for meal purchases; assuming a grantee were paying the maximum of \$12 per meal, they would be able to purchase 150,000 meals. If the grantee only incurred \$140,000 in eligible operational costs, they could dedicate the remaining \$60,000 toward the purchase of more meals, bringing the total number of meals purchases to 155,000.

Grantees will continue to be prohibited from reselling meals purchased through Sustain & Serve NJ. In addition, for Phase 3 and any subsequent phases, grantees will be prohibited from distributing meals to paid staff employed directly by the grantee organization.

Award Size

Sustain & Serve NJ awards will continue to be between \$100,000 and \$2,000,000. As part of the application for grant funding, entities will request a grant amount based on the projected number of meals to be purchased and estimated cost (per meal), excluding sales tax and gratuity. All grant estimates must be based on two figures: 1) a flat rate per meal, subject to the cap of \$12 per meal, and 2) if requested by the grantee, up to 10% of the overall award dedicated toward operational expenses, as described above. Meal purchases and operational costs combined may not exceed \$2 million nor fall below \$100,000.

For any grant that is awarded, disbursement of the total grant amount will be made incrementally from the Authority to the grantee as eligible expenses are incurred and disbursement is requested by the grantee. These disbursement requests must document that the expenses actually incurred are consistent with eligible uses of grant funding (e.g., for meal costs, the quantity of meals purchased, the cost per meal, the delivery fee charged by the restaurant, and the restaurant from which the meals were purchased; for operating costs, staff time and associated salary costs).

Unlike some of the other grant and loan programs administered by the Authority related to COVID-19, this application will not be first-come, first-serve. Instead, staff will select a defined application window for entities to apply. If the total amount of grant funding requested among all eligible applications, as determined by staff, exceeds the funding available for this program, staff will prorate grant awards based upon the amount determined by staff for each eligible applicant, reducing all grant awards to reflect an eligible applicant's share of the eligible pool such that

every grantee would receive a minimum \$100,000 award. If the pool of available funds for Sustain & Serve NJ awards cannot be prorated such that each eligible grantee would receive a minimum \$100,000 award, the Authority will split the funds equally across all eligible applicants.

Funding

Staff is requesting the use of \$10,000,000 from the American Rescue Plan Coronavirus State Fiscal Recovery Funds (ARP CSFRF) for Sustain & Serve NJ. In addition, staff is requesting delegated authority to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Community Affairs (DCA) to receive ARP CSFRF.

In case there is additional funding available for Sustain & Serve NJ, staff is requesting delegated authority (Chief Executive Officer, Chief Legal and Strategic Affairs Officer, or any Executive Vice President) to accept up to \$50,000,000 in additional funds to expand the funding pool for this program from any governmental (Federal, State, or County) funding and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program. Additionally, staff is requesting delegated authority (Chief Executive Officer, Chief Community Development Officer or any Executive Vice President) to accept unencumbered gifts or unrestricted governmental (Federal, State, or County) funds for the purposes of expanding the funding pool of this program.

To ensure that the grant funding can be disbursed as quickly as possible to support urgent economic need, consistent with the approach taken in other COVID-19 related programs, and because multiple applications are anticipated, delegated authority is sought for staff (any Executive Vice President) to approve individual applications, upon recommendation of the reviewing officer, in accordance with the terms set forth in the attached program specifications. Because the specifications and eligibility requirements will result in nondiscretionary decisions, staff also requests the delegated authority to decline and issue final administrative decisions if any applicants appeal from a declination.

Due to financial hardship experienced by nonprofits during the pandemic, the Authority will collect no fees from the applicant for this program.

Recommendation

Approval is requested for: (1) Enhancements to the Sustain & Serve NJ Program for Phase 3 and any subsequent program phases. Sustain & Serve NJ is a program that makes grant funding available to eligible nonprofit organizations for increases in expenses associated with purchasing meals from New Jersey-based restaurants that have been negatively impacted by COVID-19 and distributing those meals at no cost; (2) Delegation to Authority staff (Chief Executive Officer or Chief Legal and Strategic Affairs Officer) to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Community Affairs (DCA) to accept and use \$10 million in American Rescue Plan (ARP) Coronavirus State Fiscal Recovery Funds (CSFRF) for the purposes of funding eligible grant requests under the Sustain & Serve NJ Program, and agree to comply with federal requirements for the use of those funds; (3) Delegation to Authority staff (any Executive Vice President), upon recommendation of the reviewing officer, to approve individual applications to the Sustain & Serve NJ Program in accordance with the terms set forth

in this memo and the attached program specifications. Because the specifications are streamlined and will result in non-discretionary decisions, staff requests the delegated authority to decline and issue final administrative decisions; (4) Delegation to Authority staff (Chief Executive Officer, Chief Community Development Officer, Chief Legal and Strategic Initiatives Officer, or any Executive Vice President) to set and extend the deadline for spending, if necessary, contingent upon the timeframe complying with applicable federal and Treasury requirements for the use of those funds; (5) Delegation to Authority staff (Chief Executive Officer, Chief Legal and Strategic Affairs Officer, or any Executive Vice President) to accept up to \$50,000,000 in additional funds to expand the funding pool for this program from any available governmental (Federal, State or County) funding and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program; and (6) Delegation to Authority staff (Chief Executive Officer or any Executive Vice President) to accept unencumbered gifts or unrestricted governmental (Federal, State, or County) funds for the purposes of expanding the funding pool of the Sustain & Serve NJ program.

Tim Sullivan
Chief Executive Officer

Prepared by: Emily Apple

Attachments
Exhibit A – Sustain & Serve NJ Program Specifications

Exhibit A Sustain and Serve NJ Revised Program Specifications February 9, 2022	
Funding Source	<ul style="list-style-type: none"> • \$10,000,000 - American Rescue Plan Coronavirus State Fiscal Recovery Funds (ARP CSFRF)
Program Purpose	<p>A program that makes grant funding available to eligible nonprofit organizations for increases in costs associated with purchasing meals from New Jersey-based restaurants that have been negatively impacted by COVID-19 and distributing those meals at no cost.</p>
Eligible Applicants	<p>501(c)(3) and 501(c)(19) non-profit organizations that can demonstrate as applicable:</p> <ul style="list-style-type: none"> • Must be an entity classified under one the following NAICS codes: <ul style="list-style-type: none"> ○ NAICS code 611 (Educational services) ○ NAICS code 62 (Social assistance and health care organizations [inclusive of NAICS code 624210]) ○ NAICS code 813 (Religious, grantmaking, civic, professional, and similar organizations) ○ NAICS code 92 (Public administration) • Check against the Federal System for Award Management (SAM) to ensure entity is not debarred. • Good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor; and • A tax clearance certificate from the New Jersey Division of Taxation • Demonstrated capacity of bulk meal purchase and distribution from New Jersey-based restaurants (i.e., NAICS code 722 or 624210) of at least 1,500 meals costing at least \$25,000 between March 9, 2020 and the date of application launch. • Restaurants and entities classified under NAICS code 722 may not apply for the grant. <p>Grant applications must also demonstrate, as part of the grant application or restaurant addition period, the following requirements were met by restaurants from which the grant applicants will be bulk purchasing meals:</p> <ul style="list-style-type: none"> • Restaurant is classified as “Food Services and Drinking Places” under NAICS code 722 or “Community meals, social services” under NAICS code 624210

Exhibit A
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- 50 or fewer full-time equivalent (FTE) employees at time of application, based on the company’s most recently filed WR-30 with NJDOL or if no WR-30 is available, IRS form 1040 verifying the restaurant has no FTE employees
- Physical commercial location in New Jersey
- Good standing with the Department of Labor, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor
- Check against the Federal System for Award Management (SAM) to ensure entity is not debarred.
- If the restaurant is regulated by the Division of Alcoholic Beverage Control (ABC), then it must also be in good standing with ABC, with all decisions of good standing at the discretion of the ABC
- 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
- Satisfaction of the requirement by the New Jersey Division of Taxation with regard to taxes, which may be through a tax clearance certification or verification from the Division of Taxation that the restaurant is in good standing and does not have tax debts due to the State
- Attestation from the restaurant that they were in operation on June 4, 2021, and that they have been negatively impacted by the COVID-19 (e.g., 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).

Grant applicants/recipients will be responsible for providing to the Authority any necessary supporting information and documentation from on behalf of the restaurants to verify eligibility – whether that be as part of the application process, prior to grant agreement, or following execution of a grant agreement as part of an audit the Authority, U.S. Treasury, or any other relevant State or federal entity reserves the right to may conduct against the certifications provided at application.

Once verified as eligible, participating restaurants information may be posted publicly on NJEDA’s website.

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

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	<p>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.</p>
<p>Eligible Uses</p>	<p>Grant funding can be used for the direct costs associated with bulk purchasing of meals up to \$12 per meal that are projected to be incurred between date of grant execution and the end of the grant phase. These direct costs include:</p> <ul style="list-style-type: none"> • Cost of food and ingredients • Costs incurred by the restaurant for labor, packaging, and facilities • Costs incurred by the restaurant for meal delivery • Any profit margin for the restaurant <p>Grantees may also receive up to 10% of the total award to support the operating costs of the program including staff salaries and fringe (proportionate to the amount of staff time dedicated to the program) mileage for meal deliveries completed by the grantee organization, vendors assisting with monitoring and invoicing of meal purchases (e.g., an accounting or professional services firm), and supplies. Grantees will be required to submit documentation verifying operating expenses incurred. Grantees that do not use the full 10% of their award for operating costs may dedicate unused operating cost funds toward the purchase of more meals. Grant funds may not be used for sales tax and gratuity.</p> <p>Grant recipients are prohibited from reselling meals that are purchased using grant funding. Grant recipients are prohibited from distributing meals to paid staff employed by the grantee organization.</p>
<p>Application Process and Board Approval/ Delegated Authority</p>	<ul style="list-style-type: none"> • Online application. Applications will be accepted during a defined application period, and all applications will be reviewed following the closure of the application period. • Applicants whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 3 days but no longer than 10 days). The CEO or any Executive Vice President will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The

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	<p>Hearing Officer will prepare a recommended decision, which must be approved, and a Final Administration Decision issued by an Executive Vice President, Vice President, Director, or Senior Legislative Officer, upon recommendation of the Hearing Officer.</p> <ul style="list-style-type: none">• Delegation to Authority staff (Chief Executive Officer or Chief Legal and Strategic Affairs Officer) to enter into a Memorandum of Understanding (MOU) with the New Jersey Department of Community Affairs (DCA) to accept and use \$10 million in ARP CSFRF for the purposes of funding eligible grant requests under the Sustain & Serve NJ Program, and agree to comply with federal requirements for the use of those funds.• Delegation to Authority staff (any Executive Vice President), upon recommendation of the reviewing officer, to approve individual applications to the Sustain & Serve NJ Program in accordance with the terms set forth in this memo and the attached program specifications. Because the specifications are streamlined and will result in non-discretionary decisions, staff requests the delegated authority to decline and issue final administrative decisions.• Delegation to Authority staff (Chief Executive Officer, Chief Community Development Officer, Chief Legal and Strategic Initiatives Officer, or any Executive Vice President) to set and extend the deadline for spending, if necessary, contingent upon the timeframe complying with applicable federal and Treasury requirements for the use of those funds.• Delegation to Authority staff (Chief Executive Officer, Chief Legal and Strategic Affairs Officer, or any Executive Vice President) to accept up to \$50,000,000 in additional funds to expand the funding pool for this program from any available governmental (Federal, State or County) funding and to impose additional requirements as may be required by law as a condition of accepting, provided that the requirements are consistent with the parameters of the program.• Delegation to Authority staff (Chief Executive Officer or any Executive Vice President) to accept unencumbered gifts or
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Exhibit A Sustain and Serve NJ Revised Program Specifications February 9, 2022	
	unrestricted governmental (Federal, State, or County) funds for the purposes of expanding the funding pool of the Sustain & Serve NJ program.
Grant Amounts	<ul style="list-style-type: none"> • Minimum Grant Amount: \$100,000 • Maximum Grant Amount: \$2,000,000 • Meal donations from restaurants may be counted toward up to 50% 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 • Specific grant awards to be calculated based on the projected number of meals to be purchased, estimated cost per meal (excluding sales tax and gratuity), and up to 10% of award for operating expenses. All meal purchases must be based on and supported by a flat rate per meal up to \$12.00 per meal. Award calculation may not exceed \$2,000,000, inclusive of meal purchases and operating costs. • While there is no exclusion for entities purchasing meals at more than \$12/meal, reimbursement will be capped at \$12/meal. • Once the Authority receives all applications, if the total amount grant funding requested among all eligible applications exceeds the funding available for this program, the Authority will prorate grant awards based upon the amount determined by staff for each eligible applicant, reducing all grant awards to reflect an eligible applicant’s share of the eligible pool. If the pool of available funds for Sustain and Serve NJ awards cannot be prorated such that each grantee would receive a minimum \$100,000 award, the Authority will split the funds equally across all eligible applicants.
Funding Disbursement	<ul style="list-style-type: none"> • The total grant award will be disbursed incrementally as eligible projected expenses are incurred and disbursement is requested from the Authority by the grantee. • These disbursement requests must be evidenced by documentation supporting that the expenses were actually incurred and consistent with eligible uses of grant funding (e.g., for meal costs the quantity of meals purchased, the cost per meal, the restaurant from which the meals were purchased; for operating costs staff time and associated salary costs).
Fees	Due to financial hardship experienced by nonprofits during the pandemic, the Authority will collect no fees from the applicant for this program.

