

NJEDA Small Business Improvement Grant

Frequently Asked Questions

GENERAL PROGRAM

What is the Small Business Improvement Grant (SBIG)?

- The Small Business Improvement Grant (SBIG) is a state grant program that reimburses New Jersey small business owners for eligible costs associated with making interior or exterior capital improvements or purchasing and/or installing new furniture, fixtures, and equipment (FFE).
- Home based businesses are only eligible to receive reimbursement for new furniture, fixtures or equipment purchases that are solely for the use of the business.
- Additional eligibility criteria are outlined below.

ELIGIBILITY

Who can apply?

- All commercial businesses and not for profit organizations that meet the eligibility criteria outlined on the program web page (<https://www.njeda.com/small-business-improvement-grant/>).

Your small business may be eligible if you have a project/purchase that:

- Commenced on or after March 9, 2020.
- Is made within 2 years prior to your application date.
- Is a minimum of \$5,000 in total eligible expenses and you can provide documentation to substantiate costs.

What makes my small business **not eligible**?

- Project/purchase occurred before March 9, 2020.
- Project Costs were not made within the 2 years **prior** to your application date.
- Project/purchase does not meet the minimum \$5,000 total eligible project cost.
- Applicant cannot provide documentation to substantiate the project costs.
- Submitting for costs that are deemed ineligible.
- Not being in good standing with NJ Department of Labor or NJ Department of Environmental Protection.
- Not providing a current tax clearance certificate.
- Submitting more than one application for the same EIN.
- If the applicant, or any person who controls the applicant or owns or controls more than 1% of the stock of the applicant, an officer or employee of any agency, authority or instrumentality of the State of New Jersey is **not** eligible for the SBIG.
- If the applicant, or any person who controls the applicant or owns or controls more than one percent of the stock of the applicant, has applied for or received a license or a certification from the New Jersey Cannabis Regulatory Commission (NJ-CRC), the applicant is ineligible for this program.

Businesses engaged in the following are **not eligible** for funding:

- 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 sale.
- Sales by transient merchants, Christmas tree sales or other outdoor storage.
- Any activity constituting a nuisance.

Can my business receive more than one SBIG?

- Applicants are eligible to receive **one** SBIG grant per Employee Identification Number (EIN) for the life of the program.

- Entities operating in multiple locations under a single EIN are limited to one application under the sole EIN. In the case of multiple locations under one single EIN applicants should include all eligible project costs in a single application for multiple locations.

My business has multiple locations, can I apply for all locations?

- Applicants are eligible to receive **one** SBIG grant per Employee Identification Number (EIN).
- Entities operating in multiple locations under a single EIN are limited to one application under the sole EIN, but a single application may include project costs across multiple locations.

If I received a Small Business Lease Grant (SBLG), am I still eligible for the Small Business Improvement Grant (SBIG)?

- Yes, you are eligible to receive funding under both grant programs for the same business location and/or EIN.

Am I getting the grant money upfront prior to making interior and/or exterior building improvements and/or purchasing and/or installing new equipment?

- No, work must be complete on or after March 9, 2020, but no more than 2 years prior to application date. Applicants must certify the project is complete.

Do I have to operate from the facility on my application?

- Yes, the applicant company must rent or own and operate from the facility as a commercial business.

If I am renting my commercial location, do I need to notify my landlord of any improvements?

- Yes, if the applicant's space is leased the landlord's permission to make improvements is required. The [Landlord Certification](#) will be available for download at time of application.

Can my landlord apply for this program if they improved the space I am leasing?

- No, the SBIG was intended to directly support NJ small business owners only. Eligible businesses may own or lease their space.

How long do I need to remain in the facility?

- Applicant must remain in the location for a period of time, based on the amount of the grant.
 - o For grants of \$25,000 or less, the applicant must remain in the same location for at least two years after the closing of their grant agreement.
 - o For grants exceeding \$25,000, the entity must remain in the location for at least four years after the closing of their grant agreement.

Non-compliance with this requirement will result in repayment of the grant to the NJEDA.

Can I be approved for the Small Business Improvement Grant again in the future?

- No, if you have already received an approval, you cannot receive another award for the same business. Only one SBIG award is allowed per EIN for the life of the program.

Will the SBIG reimburse my business for renovations and equipment costs?

- Yes, the SBIG will reimburse the business for both renovations and equipment cost per single project up to 50% of the total cost, which may include interior or exterior renovations, or purchases of new (FFE) equipment and installation. Please see the list below of eligible costs.

- Applicant must provide documentation outlining the scope of work performed, or capital purchase made, along with proving payment was made for completed work. Acceptable payment documentation can be bank statements, credit card statements, finance agreements, front and back copies of cleared checks, and electronic payments.
- Eligible equipment must be permanently located at the facility e.g., rolling stock such as vehicles, construction equipment is not eligible.
- Capital improvements such as site acquisition are not eligible.

If I bought equipment with the purchase of a business is the equipment eligible for the grant?

- No, equipment included in a contract as part of the purchase of a business is not eligible. Furniture, fixtures and/or equipment would only be eligible if they were separate from the purchase agreement of the business.

If I am a home-based business, can I apply for the Small Business Improvement Grant?

- Yes, home-based businesses may only receive reimbursement for new furniture, fixtures, or equipment. Furniture, fixtures and equipment must not be attached to the home.
- Home-based businesses are not eligible for reimbursement for renovation or improvement projects.

Is there a minimum project cost?

- Yes, the minimum total eligible project cost is \$5,000.

How much money will my small business be reimbursed?

- The grant will reimburse a small business for 50% of the total eligible project cost.
- Project minimum total eligible cost of \$5,000.
- Grant awards cannot exceed \$50,000.

What will this grant reimburse my small business for?

- Interior and exterior capital improvements. Capital improvements is defined as:
- "Capital improvements" means:
 - o Expenses that a business incurs for construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property, site-related utility, including but not limited to, water, electric, sewer, and stormwater, and transportation infrastructure improvements, plantings, solar panels and components, energy storage components, installation costs of solar energy systems or other environmental components.
 - o Expenses that a business incurs for obtaining, and installing furnishings and machinery, apparatus, or equipment, including but not limited to material goods subject to bonus depreciation under sections 168 and 179 of the federal Internal Revenue Code (26 U.S.C. ss.168 and 179), for the operation of a business on real property or in a building, structure, facility, or improvement to real property.
- "Capital improvements" **shall not include** site acquisition; vehicles and heavy equipment not permanently located in the building, structure, facility, or improvement; any capital improvement for which the business received any grant financial assistance from any State source; costs of a lease, including any capital lease; or any soft costs and soft costs are defined as "Soft costs" means all costs associated with financing, design, engineering, legal, or real estate commissions, including but not limited to, architect fees, permit fees, loan origination and closing costs, construction management, freight and shipping delivery, early lease

termination costs, air fare, mileage, tolls, gas, meals, packing material, marketing, temporary signage, incentive consultant fees, Authority fees, loan interest payments, escrows, or other similar costs.

- Purchase and installation of **new** furniture, fixtures, and equipment (FFE) is eligible. Any software required to operate the new equipment would not be considered eligible for reimbursement.
- Capital improvements do not include payroll costs, inventory costs, landscaping, maintenance, utility costs, recurring costs, or furniture, fixtures and equipment that are not new (used, previously owned, refurbished etc.).
- Home based businesses are only eligible to receive reimbursement for **new** furniture, fixture, or equipment purchase. For purposes of home-based businesses, allowable furniture and equipment must be used exclusively for the business and must not be attached to the building.

My business has multiple locations, can I apply for all locations?

- Applicants are eligible to receive only **one** SBIG grant per Employee Identification Number (EIN).
- Entities operating in multiple locations under a single EIN are limited to one application under the sole EIN, but a single application may include project costs across multiple locations. This will have to be clearly broken out at time of application.

How much will it cost me to apply for the SBIG?

- There is no fee unless your application is approved. The approval fee of \$100 will be due at the time of approval and prior to execution of the grant.

APPLICATION PROCESS

How do I get my tax clearance certificate?

- Tax clearance certificates are required to be approved for this grant.
- [Directions for securing your tax clearance certificate.](#)
- [Small Business Improvement Grant \(SBIG\) Applicant Checklist](#)

What types of documentation are accepted to demonstrate payment for project costs?

- Applicants must provide documentation proving payment was made for completed work or purchases including invoices with corresponding payment documentation (bank statements, credit card statements, front and back copies of cleared checks, finance agreements or electronic payments). Or any other documentation that can verify the work has been paid as deemed fit by NJEDA.

What type of additional documentation will be needed during the review process?

- For the SBIG contractors include any individual, vendor, or business that completed construction, renovation, installation, assembly, repairs or configuration for hard construction, renovations, electrical, plumbing, and/or technology infrastructure improvements.
- Projects utilizing contractors with 4 or more employees (total workforce, not workforce specific to applicant's project) may be subject to Affirmative Action requirements.
- The following forms are required for applicants that used contractors with 4 or more employees (total workforce). Please print the form below out and have your contractor fill them out. They are required to be eligible for an approval.
 - o [AA Form 1 – Initial Construction Project Workforce Report](#)
 - o [AA Form 2 – Monthly Project Workforce Report](#)

Is your total project cost over \$50,000?

- If so, you will have to comply with [Green Building Standards](#) for lighting and mechanical work. Please print out the necessary forms and complete them as part of your application. You may need your contractor to aid with filling the form out.

GRANT DISBURSEMENT

How are the grants disbursed?

- Applicants who are approved for grants will be required to pay an approval fee of \$100. After paying this fee, the NJEDA will send the grant agreement via email.
- Funds will be disbursed via ACH to the applicant when the grant agreement is signed and returned to the NJEDA.

Do I have to pay taxes on the amount awarded for the Small Business Improvement Grant?

- The SBIG is funded through a state appropriation, please check with your accountant or financial advisor for tax implications.

FEES

Are there any fees associated with this grant?

- An approval fee of \$100 is due at time of approval and prior to execution of grant agreement.

WAGE AND REPORTING REQUIREMENTS

What is the minimum wage requirement?

- Applicants are expected to pay their employees (part-time and full-time) the higher of \$15 an hour or 120% of minimum wage.
- Tipped employees are required to be paid 120% of the minimum wage rate.
- [NJ Wage Rates and Hour Compliance](#)

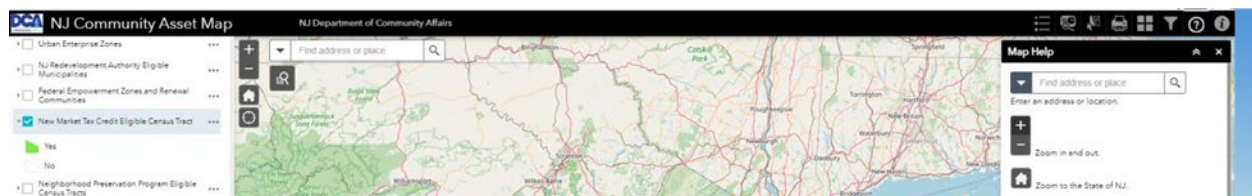
What annual reporting will be required and for how long?

- To demonstrate compliance with program requirements, businesses and not for profit organizations that receive SBIG grants will need to provide the following documentation to the NJEDA:
 - o Payroll report information or the latest WR30 filed.
 - o Landlord certification that rent has been paid.
 - o Lease or Deed: Applicant must remain in the same location for a period based on the amount of the grant.
 - For grants of \$25,000 or less, the applicant must remain in the same location for at least two years after the closing of their grant agreement.
 - For grants exceeding \$25,000, the entity must remain in the location for at least four years after the closing of their grant agreement.

TARGETED FUNDING

Are any funds set aside for historically disadvantaged communities?

- Per the legislation that created the SBLG, 40 percent of the funding available for this program will be reserved for businesses and not for profits located in census tracts that were eligible to be designated as Opportunity Zones (OZ). This targeting helps to ensure entities in communities that have historically faced barriers to success are able to access this program.
- To determine if you are located within an OZ census tract use the [OZ Mapping Tool](#) and select 'New Market Tax Credit Eligible Census Tract' to determine if your location is in an OZ eligible census tract.



ADDITIONAL QUESTIONS?

Please email: smallbusinessservices@njeda.gov