



REQUEST FOR APPLICATIONS - NYS SMALL BUSINESS & ENTREPRENEUR GRANT PROGRAM – ENTREPRENEURSHIP ASSISTANCE CENTERS - BUSINESS PLAN COMPETITION PROGRAM

Addendum # 1 - Questions & Answers

Release Date: February 9, 2024

The following is a list of responses to questions submitted by prospective respondents (“Respondents”) to the REQUEST FOR APPLICATIONS - NYS SMALL BUSINESS & ENTREPRENEUR GRANT PROGRAM – ENTREPRENEURSHIP ASSISTANCE CENTERS - BUSINESS PLAN COMPETITION PROGRAM

No.	Question	Answer
1	<p>During the final submission for the RFA application.</p> <p>VIII. Submission Requirements.</p> <p>a) What if your business doesn’t have insurance because it’s a small business. Can we still submit without the insurance?</p> <p>b) Are these list mandatories for the start-up small business?</p> <p>1- Conflict of Interest 2- 139 J&K 3- Vendor Responsibility Questionnaire 4- Insurance Requirements 5 Non-Discrimination and Contractor & Supplier Diversity Requirement 6- W-9</p>	<p>a) Empire State Development (ESD) is seeking Request for Applications (RFAs) from New York State Entrepreneurship Assistance Centers (“EAC”); therefore, the submission requirements are applicable to the EAC.</p> <p>b) The eligibility criteria for businesses are listed in pages 4 to 5, Section I., A., i), ii), and iii).</p>

2	<p>Writing to inquire about and request the small business application to apply for the Entrepreneur Grant.</p>	<p>Start-ups, existing businesses, micro-businesses, and small businesses must successfully complete and graduate from the EAC's ("EAC") Business Plan Training within one (1) year to be eligible to participate in the EAC Business Plan Competition Program and compete to receive a grant award.</p>
3	<p>a) What is required for our IT Dept to have in place for our organization to complete this form? We clicked the link below but the description of what is needed isn't clear.</p> <p>b) What would they need to protect?</p> <p>c) Will we be expected to deal with transactions and if so what would the nature of transactions be?</p>	<p>a) The ESD-Security Brief is available at this link https://esd.ny.gov/sites/default/files/rfp/ESD-Security-Brief_0.pdf and provides information on the security standards and guidelines related to safeguarding of ESD information and resources.</p> <p>b) Any data that is kept outside of ESD systems and on ESD's behalf needs to be protected based on the guidelines listed in the brief.</p> <p>c) Transactions are not part of this RFA.</p>
4	<p>a) Can the prize money be split between two different 60-hour business plan programs?</p> <p>b) Can grant prizes be combined with other funding for winners?</p> <p>c) All forms required but what if we don't have answers for the basic forms?</p>	<p>a) The selected EAC Grantees must be able to conduct at least two EAC BPC with grant funding.</p> <p>b) The RFA submission should identify partners and how they strengthen the organization's ability to achieve the program goals.</p> <p>c) All relevant forms, where required to be submitted, must be executed and</p>

		included with the submission in the same order listed in the RFA.
5	I am relatively new to the U.S. and have yet to register a company here, I would like to inquire about my eligibility to submit a proposal for the mentioned RFA.	ESD is seeking RFAs from EAC. Please refer to the "Glossary of Terms Used Throughout the Response for Applications ("RFA")" on page 2 for the definition of an EAC.
6	<p>a) In designing the competition, must there be a prize division between Startups and Existing businesses?</p> <p>b) Or can we use another breakdown for categories such as food, services, tech, etc.?</p>	<p>a) BPC winners should be categorized as start-ups or existing small businesses.</p> <p>b) The EAC BPC can have multiple categories.</p>
7	If the startup/ existing category division exists in the proposed competition outline, must the monetary amount be the same across the categories or can we adjust the prizes based on need/ demand of funds (i.e., startup business participants get \$5k each and existing business participants get \$10k each)?	The EAC BPC Program can provide grant awards ranging from \$5,000 and up to \$25,000 to cover start-up costs to new small business, or to support or expand an existing small business in New York State.

8	Does a student who has had no sales history but only conducted customer interviews and is building an MVP qualify as a startup, or would he have to have at least one sale?	The EAC BPC Program should consist of start-ups and existing businesses that present their business ideas and plans, which are evaluated according to criteria set by the EAC Grantees administering the contest.
9	We have an existing Business Plan Competition Program and we are planning to start a new program this year. I am wondering if we can split the funds between two 60-hour EAC Business Plan Training programs, each of which would culminate in a BPC, or do we have to use the grant/funds for only one program?	The selected EAC Grantees must be able to conduct at least two EAC BPC with grant funding.
10	Can we combine or bundle the grants with other funds for prizes for the BPC? For instance, if the first prize winner of the BPC receives \$20K from ESD, can additional funds from a private funder be combined, or does the ESD grant have to be the only prize the winner gets?	The RFA submission should identify partners and how they strengthen the organization's ability to achieve the program goals.
11	What if we have missing answers on a few basic forms?	All relevant forms, where required to be submitted, must be executed and included with

		the submission in the same order listed in the RFA.
11	Are there any regulations on industries that can/cannot win the BPC? Would a cannabis or alcohol-related industry be ineligible?	The distribution of government funds is subject to constitutional limitations under the First Amendment's Establishment and Free Exercise Clauses. Applications that implicate these Clauses may require additional information from the applicants and will be subject to legal review and approval by ESD before award.
12	If a BPC-winning business moves out of NYS within 2 years, will the recuperation of funds be pro-rated based on how much of the remaining 2-year period is left?	The EAC Grantees may seek to recapture the grant award or a portion thereof.
13	Is there a cure period for the RFA in case any additional information is needed?	ESD will contact the applicant if additional information is required.

14	<p>a) How is this RFA defining an operational company?</p> <p>b) Will the time period for considering when a company is operational be defined by the date the entity was established or will the EAC definition of operational be applied to this program?</p>	<p>a) An operational micro-business or small business generating revenue.</p> <p>b) Start-ups and existing businesses participating in the EAC BPC Program must present their business ideas and plans, which are evaluated according to criteria set by the EAC Grantees administering the contest.</p>
15	<p>In reviewing the recent RFA for the NYS Small Biz EAC BPlan Competition, I note that one of the criteria for eligibility is that the applicant must have completed the EAC training within one year of the Business Plan presentation date (section 1 Program Goals and Objectives). Having a requirement that the applicant be a graduate of the EAC training program but without restricting eligibility to a window of graduation within 1 year of the bplan date would open up the opportunity to serve EAC graduate companies that still meet the definition of micro and small businesses.</p> <ul style="list-style-type: none"> • Less than 100 employees • Not dominant in the industry • Less than \$1 million annual revenues • In operation for less than 5 years <p>To exemplify how restrictive this criteria of having graduated within 1 year of bplan competition is (versus graduated without a time period restriction), consider that EAC Centers may offer EAC training courses only once or twice within a year. Class enrollment sizes vary but may typically comprise about 20</p>	<p>Thank you for your comments. After careful consideration, ESD will not be modifying the RFA and/ or EAC BPC Program at this time.</p>

entrepreneurs/small businesses in each class. With the current criteria, and depending on how often an EAC Center offers the training, eligibility would be restricted to a maximum of approximately 20-40 companies for any given business plan competition; give or take – because those would be the only eligible applicants based on this narrow graduation window of 1 year. These numbers also assume that all entrepreneurs: 1 – complete a business plan and graduate (not all do); and 2 - those that graduate also meet the RFA’s definition of a micro or small business (Many do not. Many who graduate from the EAC training program are entrepreneurs who have not yet established their business as a legal entity or registered their business. This is because they have wisely decided to vet their idea and create a plan prior to taking any major steps. A large portion of our graduates are not micro or small businesses but are entrepreneurs who have completed a sound start up business plan)

Given that one of the stated objectives of the program is “to ensure maximum participation by entrepreneurs and micro-businesses and small businesses in regions typically underserved”; this graduation parameter of within one year of the date of the bplan competition would seem to unintentionally narrow the opportunity by excluding EAC graduate businesses that might otherwise qualify to participate in the BPlan competition opportunity. I respectfully suggest this criterion be changed and the parameter of graduating within a year be modified to reflect only that the applicant has graduated from the EAC training but doesn’t include restriction as to the period of time before the date of the BPlan competition.

In a similar vein, the title of the RFA suggests that EAC graduate Entrepreneurs would be included as eligible applicants to compete in the BPlan competition. As stated above, we graduate many entrepreneurs from the EAC training program who have not yet established an entity or registered an entity. This is because they have wisely decided to first research and vet their idea and develop a plan for starting and launching a business. With a sound business plan, these entrepreneurs have identified a path to launch their business and

will have outlined Start Up costs and funding needed to get their venture established and started. But based on the list of required documentation/proof of business organization, only businesses that have graduated from the training within one year, and have established a legal entity/registered their entity would be eligible to apply and participate in the BPlan competition. This would likely exclude a number of entrepreneurs that have graduated from the program and have developed a business plan but not yet formed their entity – from accessing this opportunity. Can you please clarify if it is the intent to include or exclude entrepreneurs that have graduated from the EAC training independent of having formed their legal entity/registered their company. If it is the intent to exclude entrepreneurs unless they have formed a legal entity/registered their company, then the program will exclude a significant population of people from being considered for and accessing this funding to cover start-up costs. I respectfully suggest that this criterion be altered so that it does not prevent an applicant from being eligible to participate and considered for a funding award through this program – and modified to state that acceptance of program funding is contingent upon forming a legal entity/registering their entity. So a company must form an entity, register/legally establish an entity in order to RECEIVE any funding awarded, if selected for an award.

The criterion that disqualifies an entrepreneur/micro/small business from participating in the BPlan Competition is if they have received or been awarded grant prizes of more than \$1000 is restrictive. I respectfully suggest that this criterion unfairly excludes otherwise eligible applicants simply because they have earned an award from a separate grant source – and this requirement should be removed. Should otherwise eligible companies be punished for their diligence, efforts and achievements? Currently, we have 2 business plan competitions a year at the end of every training cohort. There are 2 companies per class which are selected to receive a nominal cash grant award of \$3k or \$1,500 based upon their submitted business plans. It is a nominal

amount and it is non-NYS \$ as it is directly funded through a separate sponsor. Why should these businesses be excluded from an opportunity to participate in a separate bplan competition just because they merited an award by a separate competition? Further – This criterion also does not specify the “statue of limitations” for when they may have received a separate cash grant award. Should an otherwise eligible entrepreneur/micro/small business that won a grant award 1,2,3,4,5 or more years ago be excluded? I believe that eligible companies that have received a separate grant award, separate and apart from this competition/funding should not be disqualified on this basis and excluded from participating in this bplan competition or prevented them from throwing their hat in the ring. But if it is the intention to level the playing field to include more opportunities for other eligible companies to access this funding opportunity; then at least consider an amount that would be significant enough to justify excluding a company from the bplan funding opportunity. I would suggest that the exclusion for companies that have received a funding/grant award of be for grant amounts of more than \$15k received within the last year from the date of the BPlan competition.

Lastly, please clarify and define what is meant an intended in the eligibility requirement that states “...and has been operational for less than 5 years...”. The EAC program outlines the definition of what it considers “operational”. According to the EAC program definition, a company is considered operational at the time it begins to generate at least \$1 in revenue as a legally formed/registered entity. Under the EAC definition of operational, the date of when a company is established as a legal entity or registered does not in and of itself determine when a company becomes operational. It must also begin to generate revenues of at least \$1 to then be considered operational. How is this RFA defining an operational company? Will the time period for considering when a company is operational be defined by the date the entity was established or will the EAC definition of operational be applied to this program?

