



## ESOP Eligibility Tool Intake Form

The New Jersey Economic Development Authority (NJEDA) has approved **X** vendors to provide feasibility study services for businesses interested in establishing Employee Stock Ownership Plan (ESOPs) in New Jersey. These services are funded by Wealth Disparities Initiatives allocations. This Eligibility Tool allows interested parties to express potential interest in acquiring these services. The NJEDA will cover 90% of the total cost of feasibility study services through the approved vendors.

Everyone is encouraged to use this form to understand the factors involved in setting up an ESOP. Please note completing the form does not constitute a guarantee of your eligibility or compatibility with an approved vendor, nor does it ensure a successful transition to an ESOP.

### **Frequently Asked Questions:**

#### **Who should fill out this form?**

- Businesses that have over 20 full-time, W-2 employees.
- Businesses that can demonstrate a steady cash flow, sustainable revenues.
- Businesses or business owners who are exploring succession planning options to execute in the next 1 to 5 years, particularly if there is an interest to sell the business to the company's employees.

#### **Who is eligible for these services?**

- Businesses that are located in New Jersey.
- Businesses that are in good standing with all New Jersey agencies.

#### **What is a Feasibility Study and what services are included?**

- Services may include, but may not be limited to, the analysis of a business' earnings with interest, taxes, depreciation, and amortization added back in (EBITDA), management team structure, structure and number of employees, value of a company, existing employee benefits, transaction structure, and any tasks that may be necessary to execute to assist a business in achieving the optimal metrics for an ESOP transition. Services will, at minimum, produce an in-depth, written assessment of the companies outcomes based on the above measures.
- Services for individuals companies, through this Program, may vary depending on the individual business needs and structure. If the business wishes to participate in the Program with a approved vendor, a scope of work and contract between the vendor and the potential client will be executed.

#### **What are the next steps?**

- After filling out this form, individuals who make the inquiry and select that they would like to be contacted will receive an email confirming they would like to proceed. If the inquiry was not initiated by the owner(s) of the business, we will request the contact information of the owner(s) to confirm that they would like to proceed.
- Following confirmations, the business will be assigned to one of the approved vendors for an introductory meeting.
- The assigned vendor will then create a proposal, and, if agreeable, will enter into a contract with the interested business to conduct feasibility study services.

**Continuation of the process by the interested party will be at the discretion of the approved vendor. Some businesses may meet certain criteria but be deemed incompatible with employee ownership transitions.**

\* Required

1. Your Name \*

2. Your Email \*

3. Are you the business owner or an employee of the business? \*

- Owner
- Co-Owner
- Employee
- Board Member
- Business Advisor
- Other

4. How many individuals and/or entities currently own the business?

- 1
- 2
- 3
- 4
- 5
- 6
- 7+

5. Title of Applicant/Role with Applying Business \*

6. Is the business located in New Jersey? \*

Yes

No

7. Business Name \*

8. Type of Business (i.e. sole proprietor, partnership, LLC, etc.) \*

9. Address of Business \*

10. How many full-time, w-2 employees does the business currently employ? \*

1-20

21-50

51-100

101-200

201-500

501+

11. How many part-time employees does the business currently employ? \*

1-19

20-49

50-99

100-199

200-499

500+

12. How many seasonal and/or temporary employees does the business currently employ? \*

- 1-19
- 20-49
- 50-99
- 100-199
- 200-499
- 500+

13. Does the business have a sustainable business model (i.e. steady cash flow for last several years, sustainable revenues, etc.) \*

- Yes
- No

14. How familiar are you with Employee Stock Ownership Plans (ESOP)? \*

- Very Familiar
- Somewhat Familiar
- Not at all Familiar
- Our business has conducted a feasibility study

15. Why are you interested in exploring ESOPs? Select all that apply. Please feel free to select "Other" and detail any important information. \*

- Succession Planning
- Equity Sale
- General Interest
- Other

16. What is your expected timeline for sale of the business? \*

- Short term (within 12 months)
- 1 - 5 Years
- Long Term (5+ years)

17. What benefits, if any, does the company offer to full-time employees? \*

- Retirement Savings Plans (401k, etc.)
- Profit Sharing Programs
- Health Insurance Coverage
- Dental and/or Vision Care
- Wellness Programs
- Paid Time Off
- Parental Leave
- Tuition Reimbursement
- Other

18. Are you in good standing with all New Jersey government agencies and authorities?  
Additionally, the business is in compliance with all applicable statutes and regulations (i.e. tax obligations, active licenses, etc.) \*

- Yes
- No
- Not Sure

19. Are you and/or your business a party to any ongoing litigation and/or lawsuit? \*

- Yes
- No
- Not Sure

20. Businesses that meet criteria, based on the responses to these questions, can request that NJEDA share the information with the approved vendors if interested in receiving feasibility study services from an approved vendor.

Are you interested in seeking feasibility study services from the approved vendors with supplemental state funding offered through NJEDA? If so, NJEDA will share your contact information and the data gathered in this form with the approved vendors. \*

- Yes, please share the information from this form and my contact information with vendors. I am interested in receiving financial assistance from the NJEDA for feasibility study services offered by the vendors.
- No, I am not interested in receiving financial assistance for feasibility study services.

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