

Craft Beverage Grant Program
Funding Available: Up to \$3 million

Description:

Empire State Development (ESD) has up to \$ 3 million of funding available for the State’s Craft Beverage Grant Program (the “program”). The program will increase the profile, awareness and sales of New York State produced wine, beer, spirits, and hard cider by providing matching funds for the marketing and promotion of these craft beverages. The Craft Beverage Grant program and each funded proposal will work to support the Regional Economic Development Councils’ long term strategic plans for economic growth in their regions.

Funding will be awarded by the New York State Urban Development Corporation (d/b/a Empire State Development) at its discretion.

Eligible Entities:

- Not-for-profit corporations whose primary purpose is the marketing and promotion of New York State produced wine, beer, spirits, and or hard cider;
- Not-for-profit corporations who administer a program(s) or initiative(s) whose primary purpose is the marketing and promotion of New York State produced wine, beer, spirits, and or hard cider; and
- For-Profit entities acting as a fiduciary sponsor for one of the two above eligible entities or a collaboration formed between at least 3 New York State licensed craft beverage producers.

Ineligible Entities:

- Organizations receiving I Love NY matching funds;
- Units of State and Local Government;
- Public Benefit Corporations; and
- Public Authorities.

Funding availability:

- A total of \$3,000,000 will be made available starting November 2015;
- The Minimum award is \$5,000;
- The Maximum award is \$250,000; and
- An Eligible Entity may be awarded a maximum of \$500,000 in each calendar year.

Matching Equity Requirement:

The Recipient will be required to contribute 20% of the total project cost in the form of equity. Equity is defined as cash injected into the project by the Recipient or by investors and should be auditable through Recipient financial statements or Recipient accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or grants from a government source. In-Kind donations will not be considered an acceptable form of equity.

For example, a \$6,250 print ad could receive up to \$5,000 contribution from ESD.

Application Process:

- Applications must be submitted during designated open application periods throughout the year (see Appendix A);
- Applicants must complete and submit a Consolidated Funding Application (CFA; available at <https://apps.cio.ny.gov/apps/cfa/>) for review by ESD;
- Not-for-profit corporations are subject to New York State's Not-For-Profit Corporation Law. In order to apply under this program, a not-for-profit corporation must have proof of incorporation (or equivalent document) from the NYS Department of State or NYS Board of Regents, a charities registration number from the NYS Office of the Attorney General, and proof of tax-exempt status under the IRS code;
- Not-for-profit applicants must be certified with the New York State Office of the State Comptroller's VendRep System and prequalified in the New York State Grants Gateway. Please click here to register for Grants Gateway and apply for pre-qualification: <http://www.grantsgateway.ny.gov>;
- Applications will be received and reviewed on a first come first served basis until funding is awarded or the program period ends; and
- Eligible entities may apply for and receive funding for multiple projects in a given program year provided the maximum allocation for an eligible entity is not exceeded.

Eligible Projects:

Projects must be a new activity or be a clear expansion of an existing activity.

- Business to Business (B to B) Marketing and Promotion;
- Business to Consumer (B to C) Marketing and Promotion;
- Market, Consumer, and Economic Research for the purpose of improved product marketing;
- Craft Beverage related tourism promotion activities; and
- Organizational Creation, Capacity Building or Expansion.

Eligible Costs for ESD Funds:

Eligible costs must be directly related to an eligible project and must include at least one of the following:

- Purchase or recognized media advertising (television, radio, print, digital, etc.);
- Production costs of print collateral and/or audio/visual;
- Licensing/talent fees to ensure ownership of finished product;
- Rental or purchase of video/photo equipment used for marketing purposes;
- Trade shows;
- Industry related tours;
- Marketing materials;
- Point of Purchase and Promotional Items;
- Food and alcohol used solely for marketing and promotion purposes;
- Lease or rental costs;
- Website design, development, and or updates;
- App design, development, and or updates;
- Travel costs at NYS travel rates (includes but not limited to mileage, hotel, airfare); and
- Project related wages and salaries.

Ineligible Costs for ESD Funds:

- Overhead and indirect costs associated with the day to day operation of the eligible entity, including but not limited to:
 - Salaries and wages (except as noted above, any project related salaries and wages are eligible);
 - Fringe benefits;
 - Rent/lease costs;
 - Website maintenance;
 - App maintenance; and
 - Communication;
- Food and or alcohol not used for marketing or promotion purposes;
- Building purchase;
- Construction or renovation;
- Purchase of Equipment (except for video/photo equipment);
- Sales taxes;
- Costs associated with completing an application;
- Costs incurred prior to the submission and award of a grant, actual or anticipated; and
- Other costs / expenditures deemed ineligible by ESD.

Eligible Matching Equity Funds:

Eligible match must be directly related to an eligible project.

- Cash Equity;
- Project related salary and wages; and
- Purchase of Materials and or Equipment.

Ineligible Matching Equity Funds:

- New York State funds;
- Cash or in-kind salary, wages, or services expended prior to the award of a project;
- Ongoing or current operation costs; and
- Any funds not directly related to the eligible project.

Taste of NY Affiliation:

The eligible project must incorporate the Taste NY initiative as applicable and appropriate to the project, including but not limited to the use of the Taste NY logo. Taste NY affiliation must be coordinated with the NYS Department of Agriculture and Markets. Taste NY is an initiative that highlights the quality, diversity, and economic impact of New York's food and beverage industry. Taste NY provides an opportunity for New York growers and producers to receive increased exposure of their products to consumers, restaurants, retailers, wholesalers, and distributors.

Selection Criteria:

Funding will be awarded to eligible entities meeting the required eligibility criteria. ESD shall have discretion to consider additional factors in determining the relative merits of projects.

Applications must meet all eligibility requirements as outlined above. Applicants will be required to upload a project proposal and budget in the CFA Application:

- a general description of the project;
- specific milestones for the project;
- expected results and goals of the project;
- how results of the project will be measured;
- letters of commitment from partners to include their roles in the overall project;
- how the project will market and promote craft beverages in New York State;
- how the project benefits the statewide craft beverage industry; and
- a project budget detailing total project costs, and a breakdown of costs covered by grant funds and grantee equity.

Successful Applicant Requirements:

Because awards are offered as an incentive to undertake a project, the project should not begin, and expenses should not be incurred, before funding awards have been announced.

ESD requires that the Applicant to demonstrate their financial capacity to start and complete the project. This can demonstrated through a Letter of Intent or Commitment Letter from a fiscal sponsor or partner. Equity is defined as cash injected into the project by the Applicant or by investors and should be auditable through the Applicant's financial statements or accounts, if so requested by ESD. Equity cannot be borrowed money secured by the assets in the project or from a State of New York funding/grant source.

Reimbursement:

The grantee will be required to enter into a contract with ESD, and ESD will pay the grantee on a reimbursement basis, up to the total award amount, and generally paid at project completion.

Reporting:

Progress reports and requests for reimbursement will be submitted on a periodic basis which will be outlined in the grant disbursement agreement with successful awardees.

Reimbursements will be initiated after the successful grantee has a signed/approved grant disbursement agreement (GDA).

Award Criteria Details:

- Grant funds will be awarded to eligible applicants for eligible projects upon review and approval of and ESD review. Funds will be awarded on a first come first serve basis until such time that the total funding made available has been expended;
- Notice of a funding award will be given in the form of an incentive proposal outlining the terms of the proposed assistance. The award is subject to approval and compliance with applicable laws and regulations. Applicants are strongly encouraged to review and countersign ESD's incentive proposal prior to starting the project; and
- The essential terms for the disbursement of assistance are included in the incentive proposal. Although funding is offered prior to project commencement as an inducement to undertake the project, funds are disbursed in arrears, as reimbursement for eligible project expenditures.

Participation by Minority Group Members and Women With Respect To State Contracts:

In accordance with the requirements of Article 15-A of the New York State Executive Law: Participation By Minority Group Members and Women With Respect To State Contracts by providing opportunities for Minority-owned and Women-owned Business Enterprise (MWBE) participation. Projects awarded funding shall be reviewed by ESD's Office of Contractor and Supplier Diversity, which will assign MWBE participation goals to each incentive. Such goals shall typically be included in the incentive proposal.

Please note that ESD's agency-wide MWBE utilization goal is 30%. Each project will be assigned an individual contract-specific goal, which may be higher or lower than 30%. The assigned MWBE participation goal will apply only to the ESD incentive amount. Should an Applicant receive a funding award, the Applicant shall be required to use good faith efforts to achieve the prescribed MWBE goals assigned to this project. Applicants must maintain such records and take such actions necessary to demonstrate such compliance. For guidance on how ESD will determine the Applicant's good faith efforts, refer to 5 NYCRR §142.8.

In addition, Applicants will be required to submit compliance reports and related documentation to ESD's Office of Contractor and Supplier Diversity on at least a quarterly basis.

Advertising, Promotion and Marketing Material Approval Requirements:

General Information for Custom Built Television and Radio Buys

- All scripts must be pre-approved by ESD. Written approval from ESD must be obtained prior to starting production;
- Scripts must focus on New York State produced wine, beer, spirits, and or hard cider;
- All fully produced spots must be provided to ESD for final sign off one week before beginning the advertising schedule;
- Each script must include reference to the Taste NY program and/or the Taste NY logo; and
- Television and radio packages will be billed at station cost. No agency commission is allowed.

Print Buys and Production

- Each print ad (creative) and the accompanying media buy must be submitted together for approval at least two weeks prior to the first materials due date;
- Each Print ad must display the Taste NY logo and tag and can be no smaller than ¼" in diameter. All usage guidelines must be adhered to when using the Taste NY logo; and
- No agency commission is allowed.

Point of Purchase and Promotional Items

- A quote for each item must be submitted for pre-approval to include an estimate of the job and the creative/design of the job;
- Each item must display the Taste NY logo and tag;
- Eligible point of purchase items include: bags, banners, boxes (carton printing), brochures, flags, folders, labels, and rack cards; and
- No agency commission is allowed.

Additional Resources:

For more information please contact nysbevbiz@esd.ny.gov and/or (518) 227-1535.

Appendix A
Open Application Periods

Open Application Period	Application Period Closes	Grant Award Date
December 1, 2015	December 31, 2015	January 29, 2016
February 1, 2016	February 29, 2016	April 11, 2016
April 12, 2016	May 10, 2016	June 21, 2016
June 22, 2016	July 20, 2016	August 31, 2016
September 1, 2016	September 29, 2016	November 10, 2016
November 11, 2016	December 9, 2016	January 20, 2017