

Downstate Small Business Stabilization Program
through DCEO Community Development Block Grant Program

Businesses must work with their Local Government to apply for this grant. Local Government/grant writing organization submits the applications.

Total grant money available state wide: \$20,000,000. Per application/business, funds are available for 60 days of verifiable working capital up to \$25,000.

BUSINESS ELIGIBILITY

1. Businesses must have at least one full-time equivalent (FTE) employee other than the owner(s) but must not exceed 50 employees (total number of people employed) including the business owner(s).
2. Are a private for-profit small retail and service business, or business considered non-essential by the Governor's Executive Order without the ability for employee's two work remotely.

The following businesses are specifically ineligible for assistance:

- a. Businesses that have both essential and non-essential activities.
 - b. Not-for-profit businesses.
 - c. Independent contractors.
 - d. Franchises or chain businesses.
 - e. As this grant is federally funded, businesses that involve the use of cannabis for medical and/or recreational purposes are not eligible to apply.
 - f. Private club or business that limits membership for reasons other than capacity.
 - g. A business that derives at least 33% of its gross annual revenue from legal gambling activities, unless, subject to the Department's approval, the business is a restaurant with gaming terminals.
 - h. Business engaged in manufacturing or selling at wholesale, tobacco products, vaping, liquor or sexually explicit materials or in the business of manufacturing or selling firearms at wholesale or retail.
 - i. Liquor store, an adult bookstore, non-therapeutic massage parlor, strip club or nightclub
 - j. Pawn Shops
 - k. Storage facility, trailer-storage yard or junk yard
 - l. A business in which a majority owner or member of the immediate family is an elected official of the unit of local government making the application and receiving the grant.
 - m. An establishment similar to any enumerated above; or
 - n. Any other business subsequently deemed ineligible by the U.S. Department of Housing and Urban Development.
 - o. For additional information on essential and non-essential businesses, see:
<https://www2.illinois.gov/dceo/Documents/Essential%20Business%20FAQ-Flowchart.pdf>
3. The business may only use funds for working capital expenses (employee salaries, general operating expenses, inventory and advertising/marketing expenses). Cannot be used on expenses prior to the date of grant award.

4. Benefiting businesses should have solid commitments to remain open or reopen, and retain or re-employ permanent jobs. **Note:** If the National Objective is not met by the benefiting business, then the grantee (unit of local government) will be required to repay the entire amount of the grant to the State. With enforcement of the Participation Agreement, the benefiting business will be required to repay the entire amount of the grant to the unit of local government.
 - a. **National Objective – Urgent Need**
 - i. The Urgent Need National Objective is defined as assistance to a business designed to alleviate existing conditions. The benefiting business certifies that such conditions pose a serious and immediate threat to the health or welfare of the business and community, they are of recent origin or recently became urgent, they are unable to finance the activity on its own, and other sources of funds are not available. Benefiting business must demonstrate through information in the Project Summary, financial documentation and employee status that they meet this objective.
5. Must be willing to enter into a financial assistance agreement, referred to as the “Participation Agreement”, at agreed upon terms. A boilerplate of the agreement is in the application forms. The agreement language can be altered but must be pre-approved prior to the application submission.
6. Must be willing to enter into a grant agreement for a contract period of 12 months. All grants must have met the National Objective of retaining permanent jobs primarily benefiting low-to moderate income persons by the end of the twelve-month grant term. NOTE: if the National Objective is not met by the business then the grantee (unit of local government) will be required to repay the entire amount of the grant to the State. With enforcement of the Participation Agreement, the benefiting business will be required to repay the entire amount of the grant to the unit of local government.

REQUIRED INFORMATION FROM THE BUSINESS FOR APPLICATION

1. General Information for the business. (Application form for this)
2. Identify their net income for the last 3 fiscal years ending December 31, 2019. This is found on Profit and Loss statements. (Application form for this)
3. Provide cash balances for the last 3 fiscal years. This is found on balance sheets or bank statements. The cash balances need to be as of the last day of each fiscal year. (Application form for this)
4. Provide information reflecting the businesses monthly budget for January, 2020. (Application form for this)
5. Provide a copy of the most current bank statement for the business.
6. If available, other forms of documentation to demonstrate the lack of permanent working capital in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, denied loan applications, etc.
7. A listing of all employees as of January 1, 2020, employees hired since then, and their current status. (Application form for this)
8. Business Certifications statement (Application form for this)
9. A Participation Agreement between the unit of local government and the business that will receive funding. This agreement will be created by the local government and work with the business on the terms of the agreement.
10. Project information, summary. (Application form for this)
- 11.

12. A Certificate of Good Standing from the Illinois Secretary of State for the local business should accompany the application. The certificate can be printed from: <https://www.ilsos.gov/corporatellc/>
In addition, verification that the business has no tax liability with the Illinois Department of Revenue must be provided prior to grant closeout.