



Downstate Small Business Stabilization Program Eligibility & FAQs

Eligibility

The State has several rules governing eligibility. **Please confirm your business meets ALL requirements and check each item applicable to your business:**

___ Your business employs at least one person other than the owner, but no more than 50 within the City of Sterling. *(The business can have just part time employees, but there must be at least one Full Time Equivalent (FTE) other than the business owner(s))*

___ You must have been in business since January 1, 2017

___ Business is not located in a FEMA floodway (must submit proof)

___ Provide Certificate of Good Standing from the Illinois Secretary of State

___ Verify Good Standing with the Illinois Department of Revenue

Be deemed a non-essential business that cannot telecommute

- The following businesses are *ineligible* to apply (these are the State's restrictions):
 - Businesses that have both essential and non-essential activities (For additional information on essential and non-essential businesses, see: <https://www2.illinois.gov/dceo/SmallBizAssistance/Documents/Essential%20Business%20Checklist3-22.pdf>)
 - Not-for-profit Businesses
 - Independent Contractors
 - Franchise or chain businesses
 - A business that derives at least 33% of its gross annual revenue from legal gambling activities, unless, subject to DCEO's approval, the business is a restaurant with gaming terminals
 - Liquor stores
 - Pawn shops
 - Storage facilities, trailer storage yard or junk yard
 - 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
 - Any other business subsequently deemed ineligible by the U.S. Department of Housing and Urban Development



FAQ's

How much can I apply for?

- \$20,000,000 grant available to assist downstate small businesses
- \$25,000 Grant cap per business, maximum of 60 days-worth of operating capital per business
- The State requires a municipality to apply on behalf of the business

What are eligible expenses for the grant?

- Working Capital
- Salaries
- Operating expenses
- Inventory
- Advertising/marketing

What are ineligible expenses?

- Cannabis businesses
- Costs before grant award date

What are the requirements of the business?

- Sign a "Participation Agreement" with the City (a promise to repay grant if business fails to comply with all grant conditions and the State demands grant money back)
- Must retain permanent jobs benefiting low-to-moderate income
- Identify net income for last 3 fiscal years & complete Net Income Verification Forms
- Provide 3 years of cash balances from balance sheet or bank statements (*these become part of the public record*)
- Provide copy of most current bank statement (*these become part of the public record*)
- Provide any other forms of documentation to demonstrate lack of capital
- Provide list of all employees as of Jan 1, 2020 and everyone hired since then & complete an "Employment Documentation" form
- Create a Project Summary for the grant application
- Describe your business: type of firm, products, services and how long they have been around
- Describe how the CDBG funds will be used & why needed to retain jobs
- Describe specific needs
- Explain circumstances that make this necessary *and* why other financing options couldn't be obtained or used
- Provide a comparison of current payroll versus January payroll
- Assurances from businesses to retain jobs for at least 12 months (If a business fails to retain jobs for 12 months, must return entire amount of grant)



- You must show your business has an urgent need, and show a track record of stability, and show that your business would not be in need but for the current emergency by providing financial information dating back to January 1, 2017.

What are the requirements of the City?

- Enter into “Participation Agreements” with businesses
- Put grant application on public display prior to conducting a public hearing, including all financial documents submitted by business!
- Conduct a public hearing prior to passing a resolution of support, including a sign-in sheet
- Application
 - Project Activities and amounts to be undertaken
 - Plans for minimizing displacement as a result of grant activities
 - Letter of Transmittal
 - DCEO Uniform Grant Application
 - Project Information
 - GATA Budget
 - Project Summary
 - Describe business(es): type of firm, products, services and how long they have been around
 - Describe how the CDBG funds will be used & why needed to retain jobs
 - Describe specific needs
 - Explain circumstances that make this necessary and why other financing options couldn’t be obtained or used
 - Provide a comparison of current payroll versus January payroll
 - Assurances from businesses to retain jobs for at least 12 months
 - Business(es) Net Income Verification Forms
 - Council Resolution of Support
 - Public Hearing documentation including minutes, newspaper posting, minutes, attendance sheets, etc
 - Local Government Certifications form
 - Business(es) Certifications (SOS and IDOR good standing) form
 - Mandatory Disclosures form
 - Conflict of Interest Disclosure form
 - Copy of local Fair Housing Resolution
 - Municipality’s W9
 - Municipality’s SAM registration
 - IRS Certification letter (FEIN number)
 - Environmental Review form
 - FEMA maps with business(es) location(s) marked
 - Copy of “Participation Agreement(s)” between municipality and business



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- Certificates of Good Standing from IDOR and SOS from the business(es)
- Most recent bank statements from the business(es)
- Documentation to demonstrate the lack of working capital from business(es)
- Complete Internal Controls Questionnaire for 2020
- Final App to be submitted electronically, as one typed document, in the specified order, with Chief Elected Official's signature