

DOWNSTATE SMALL BUSINESS STABILIZATION PROGRAM

Pre-Application Guide & Checklist

The Economic Development Downstate Small Business Stabilization program has been established to provide working capital funds to businesses economically impacted by the COVID-19 virus. The program component makes funds available for 60 days of verifiable working capital up to a grant ceiling of \$25,000 and is available for businesses that employ 50 people or less. Number of employees includes the business owner(s).

Funds may be used to assist private for-profit small retail and service businesses, or businesses considered non-essential by the Governor's Executive Order without the ability for employees to work remotely.

Applicants that can demonstrate an "Urgent Need" in relation to the COVID-19 emergency will be funded. Projects should have solid commitments to retain permanent jobs. While all businesses with losses related to COVID-19 are encouraged to apply, certain qualifying criteria must be met and there is no guarantee funding will be awarded.

CDBG grant funds are granted by the State of Illinois to communities to be provided as financial assistance to a private for-profit entity. Funding is not made directly to a business by the State of Illinois.

ELIGIBLE ACTIVITIES

The business may use funds for working capital expenses (employee salaries, general operating expenses, inventory and advertising/marketing expenses). Costs incurred prior to the date of grant award are not reimbursable.

REQUIRED DOCUMENTATION

1. Company name, address, owner(s) name, owner(s) address.
 2. Company FEIN
 3. Company DUNS -apply at this link if you do not already have one:
<https://fedgov.dnb.com/webform/>
 4. Company SIC
 5. A brief project description which includes details about the company, e.g., type of firm, its product or service, and how long they have been in business. Describe how CDBG funds will be used and reasons why funding is needed to retain jobs. Specific needs must be identified. Explain what circumstances make the funding necessary to maintain adequate permanent working capital to sustain operating needs. Please identify the status of employees, the losses already suffered and losses anticipated in the future directly related to the COVID-19 virus. You may want to discuss the inability of the company to maintain sufficient funding to sustain normal operating working
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- capital needs by providing detail about how the funding will fill that gap. (Form attached)
6. A Certificate of Good Standing from the Illinois Secretary of State and the Illinois Department of Revenue must accompany the application.
 7. The business must provide evidence of net income for the last three fiscal years ending December 31, 2019. Net income can be obtained from the Profit and Loss statement, generally the last item on that statement. In the event that Profit and Loss statements cannot be found, net income can be derived from total sales minus total expenses. (Please provide copies of these statements and use them to complete attached form.)
 8. The business must provide its cash balances. This will be either the first line item on the balance sheet or bank statements as of the last day of each fiscal year. Three years of ending cash balances must be provided.
 9. A copy of the most current bank statement for the business.
 10. 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.
 11. A listing of all employees as of January 1, 2020, employees hired since then, and their current status.
 12. A Participation Agreement between the unit of local government and the business that will receive funding (attached).
 13. Net Income Verification Form (attached).
 14. Employment Documentation Form which lists all employees as of January 1, 2020, employees hired since January 1, 2020 and their current status (attached).
 15. Certificates of Good Standing from the Illinois Secretary of State and the Illinois Department of Revenue.
 16. Business Certifications Form (attached).
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Project Information and Summary

Legal Business Name: [Click here to enter text.](#)

Street Address: [Click here to enter text.](#)

City: [Click here to enter text.](#)

State: [Click here to enter text.](#)

Zip: [Click here to enter text.](#)

Owner Name: [Click here to enter text.](#)

Owner Address: [Click here to enter text.](#)

Phone: [Click here to enter text.](#)

Email: [Click here to enter text.](#)

Federal Employer Identification Number: [Click here to enter text.](#)

SIC Code: [Click here to enter text.](#)

Company DUNS: [Click here to enter text.](#)

Provide a summary of the business' present situation. This should include a brief description of the company, e.g., type of firm, its product or service, and how long they have been in business. Describe how the CDBG funds will be used and reasons why they are needed in order for the company to be in a position to retain jobs. Specific needs need to be identified. Explain what circumstances make this project necessary, in maintaining adequate permanent working capital to sustain operating needs.

NET INCOME VERIFICATION

The business must identify their net income for the last three fiscal years ending December 31, 2019. Net income can be obtained from the Profit and Loss statement, generally the last item on that statement. In the event that the Profit and Loss statements cannot be found, net income can be derived from total sales minus total expenses. In addition, cash balances must be provided. This will be either the first line item on the balance sheet or bank statements as of the last day of each fiscal year. Three years of ending cash balances must be provided for each fiscal year.

Fiscal Year Ending:	Net Income	Net Income derived from Profit/Loss Statement? (Yes/No)	Net Income calculated from total sales – total expenses? (Yes/No)	Cash Balance
December 31, 2017				
December 31, 2018				
December 31, 2019				
Current:				

JANUARY, 2020 MONTHLY BUDGET

Provide the appropriate information below reflecting your business's monthly budget for January, 2020.

Budget Item	Total Monthly Expenditures	Monthly Net Income Computation
Total Income		
Personnel (Salary & Wages)		
Fringe Benefits		
Equipment		
Inventory		
Supplies		
Occupancy (Rent & Utilities)		
Telecommunications		
Other (Specify)		
Other (Specify)		
Other (Specify)		
Total of All Expenditures		
Monthly Net Income (Total Income – Total of All Expenditures)		

BUSINESS CERTIFICATIONS

The company certifies that it is a company in good standing, authorized to do business in Illinois and has no delinquent tax liabilities. The company further authorizes the Department of Commerce and Economic Opportunity to seek a tax clearance letter from the Illinois Department of Revenue and authorizes the Department of Revenue to provide such a letter stating whether the records of the Department show that Borrower is in compliance with all tax acts administered by the Department of Revenue and to which Borrower is subject.

The company also certifies that no tax liens, including but not limited to, municipal, county, state, or federal, have been filed against the company, any partners of the company, the majority shareholder of the company, or in the name of a related business owned by the recipient.

The company authorizes the Department of Commerce and Economic Opportunity to verify in any manner deemed appropriate any and all items indicated in this application which includes information obtained through the Illinois Department of Employment Security, Consumer Credit Bureau Services, business reporting services such as Dun and Bradstreet and criminal history record check.

The company certifies that all information and documentation contained in this application, is accurate, complete and true to the best of his/her knowledge.

The company certifies that it has read and understands the application guidelines.

Signature of Chief Executive Officer

Date

Typed Name of Chief Executive Officer

Name of Company

FEIN #

Company Address

DUNS #

SIC #

PARTICIPATION AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 2020 by and between the **City of _____** ("Unit of Local Government") and _____, Inc., a _____ corporation ("Company").

WHEREAS, the Unit of Local Government is interested in expanding its economic base; and

WHEREAS, the Unit of Local Government has entered into an agreement with the Illinois Department of Commerce and Economic Opportunity to implement an economic development program that significantly impacts upon the Unit of Local Government's economic base; and

WHEREAS, the Company is interested in maintaining and/or expanding its employment base; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

I. GENERAL DEFINITIONS

1.1 "Application" shall mean all materials submitted by the Company to the Unit of Local Government or the State of Illinois in connection with this Agreement.

1.2 "DCEO Funds" shall mean the sum of \$_____ representing the grant received by the Unit of Local Government pursuant to its agreement with the Illinois Department of Commerce and Economic Opportunity (DCEO).

II. PERFORMANCE

2.1 The Unit of Local Government agrees, subject to the terms and conditions of this Agreement, to complete the Project.

2.2 The project cost shall be paid with Community Development Block Grant funds through DCEO.

2.3 In the event the Unit of Local Government fails to receive the DCEO funds, for any reason, this Agreement shall be terminated, at the sole option of the Unit of Local Government, without fault as to either party.

III. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE COMPANY

3.1 On or prior to the date of this Agreement, all legal matters incident to this Agreement and the transactions contemplated hereby shall be satisfactory to the Unit of Local Government.

3.2 Company represents and warrants that:

(a) Company is a corporation or partnership, as the case may be, duly formed, validly existing and in good standing under the laws of Illinois, is duly licensed and duly qualified as a foreign corporation or partnership, as the case may be, in good standing in all the jurisdictions in which the character of the property owned or leased or the nature of the business conducted by it requires such licensing or qualification and has all corporate or partnership powers, as the case may be, and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

(b) The execution, delivery and performance by Company of this Agreement, are within Company's corporate or partnership powers, have been duly authorized by all necessary corporate or partnership action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene any provision of applicable law or regulation or of the Articles of Incorporation or By-Laws or Partnership Agreement of Company, as the case may be.

(c) This Agreement constitutes a valid and binding agreement of Company.

(d) The Application is in all respects true and accurate and there are no omissions or other facts or circumstances which may be material to this Agreement or the Project.

(e) The financial information delivered to Unit of Local Government pursuant to the Application fully and accurately present the financial condition of the Company. No material adverse change in the condition, financial or otherwise, of Company has occurred since the date of the financial statements most recently delivered to the Unit of Local Government.

(f) Neither Company nor, to the best of Company's knowledge, any of Company's employees have been convicted of bribing or attempting to bribe an officer or employee of the Unit of Local Government, nor has the Company made an admission of guilt of such conduct which is a matter of record.

3.3 The company shall keep detailed records of all matters related to this Agreement (including the Exhibits hereto).

3.4 The company shall comply with all applicable state and federal law and regulations promulgated thereunder. Company shall comply with all applicable laws and regulations prohibiting discrimination on the basis of race, sex, religion, national origin, age or handicap, including but not limited to the Illinois Human Rights Act, as now or hereafter amended, and the Equal Employment Opportunity Clause promulgated pursuant thereto.

3.5 Company shall fully and completely indemnify, defend and hold harmless the Unit of Local Government and the State of Illinois and their officers, directors, employees and agents against any liability, judgment, loss, cost, claim, damage (including

consequential damage) or expense (including attorney's fees and disbursements, settlement costs, consultant fees, investigation and laboratory fees) to which any of them may become subject insofar as they may arise out of or are based upon this Agreement or any agreement or document executed by Company and Unit of Local Government as part of the transaction described herein.

- 3.6 The Unit of Local Government shall have the right of access, at all reasonable hours, to Company's premises and books and records for purpose of determining compliance with this Agreement. In addition to the reporting specifically required hereunder, Company shall furnish to the Unit of Local Government such information as the Unit of Local Government may reasonably request with respect to this Agreement.

IV. DEFAULT AND REMEDIES

- 4.1 If one or more of the following events ("Defaults") occurs and is not timely cured, then, the Unit of Local Government may declare Company in default under this Agreement and seek any of the enumerated remedies described in this Section.

(a) Company fails to observe or perform any covenant or agreement contained in this Agreement, including the Exhibits hereto, for 10 days after written notice to cure thereof has been given to Company by the Unit of Local Government;

(b) Any representation, warranty, certificate or statement made by Company in this Agreement, including the Exhibits hereto, or in any certificate, report, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect when made in any material respect;

(c) Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;

(d) An involuntary case or other proceeding shall be commenced against Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceedings shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against Company under the federal bankruptcy laws as now or hereafter in effect;

- (e) Company ceases the conduct of active trade or business in the Unit of Local Government's community for any reason, including, but not limited to, fire or other casualty;
- 4.2 If a Default occurs and is not timely cured, then the Unit of Local Government shall seek reimbursement from the Company for all funds (including DCEO funds) expended by the Unit of Local Government on or related to the Project, including, but not limited to architectural engineering, construction, administrative, real estate and incidental costs related thereto.
- 4.3 Upon notice of a Default and if said Default is not timely cured, the Unit of Local Government shall notify the Company that reimbursement shall be made to the Unit of Local Government within 30 days after said notice. If the Company fails to reimburse the Unit of Local Government within 30 days after the date of the notice, the Unit of Local Government shall have the right to collect interest on the unpaid balance beginning on the 31st day after notice at a rate equal to 12% per annum.
- 4.4 If the Unit of Local Government is successful in any proceeding to enforce the terms of this Agreement, then the Unit of Local Government shall have the right to obtain from the Company, as an additional remedy, attorney fees, costs and expenses, related to the proceeding.

V. TERMINATION

- 5.1 This Agreement may be terminated at any time by written, mutual agreement of the parties, provided the Unit of Local Government has obtained written consent from the Illinois Department of Commerce and Economic Opportunity as to such termination.
- 5.2 This Agreement may be terminated by the Unit of Local Government whenever it issues a notice of Default to the Company and the Company does not timely cure the Default pursuant to Section IV.
- 5.3 This Agreement will terminate when the Project has been completed and when all of the terms and conditions of this Agreement (including the Exhibits thereto) creating duties upon the Company, have been satisfied by the Company.

VI. GENERAL PROVISIONS

- 6.1 Notice required hereunder shall be in writing and shall be deemed to have validly served, given or delivered upon deposit in the United States mail, by registered mail, return receipt requested, at the address set forth on the signature page hereof or to such other address as each party may specify for itself by like notice.
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- 6.2 All covenants, agreements, representations and warranties made herein and, in the certificates, delivered pursuant hereto shall survive the execution of the Agreement and shall continue in full force and effect so long as the Agreement shall be in force.
 - 6.3 No failure or delay by the Unit of Local Government in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.
 - 6.4 Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be invalid under applicable law, such provision shall be ineffective to the extent of such invalidity without invalidating the remaining provisions of this Agreement.
 - 6.5 This Agreement represents the full and complete agreement between the parties with respect to the matters addressed herein and there are no oral agreements or understandings between the parties.
 - 6.6 This Agreement shall be construed in accordance with and governed by the law of the State of Illinois.
 - 6.7 This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.
 - 6.8 No modification of or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the parties hereto, and provided further, that the Unit of Local Government shall obtain written consent of the Illinois Department of Commerce and Economic Opportunity prior to executing any such modification or waiver.
 - 6.9 The Company certifies that it has not been barred from bidding on or receiving State contracts as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (bid rigging or bid rotating, respectively) (720 ILCS 5/33E-3 and 5/33-4).
 - 6.10 The Company certifies that it has not been barred from being awarded a contract or subcontract under Section 50-5 of the Illinois Procurement (Code 30 ILCS 500).
 - 6.11 The Company acknowledges that receipt of benefits under this agreement may require compliance with the Prevailing Wage Act (820 ILCS 130). Persons willfully failing to comply with or violating this act may be in violation of the Criminal Code. Questions concerning compliance with the Prevailing Wage Act should be directed to the Illinois Department of Labor.
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6.12 The Unit of Local Government acknowledges that if the project as proposed by this Agreement is completed in accordance with this Agreement and the Agreement executed between the Unit of Local Government and the Department of Commerce and Economic Opportunity then the provisions cited above in 6.9; 6.10; and 6.11 do not apply to the Company but do apply to the activities to be completed by the Unit of Local Government.

IN WITNESS WHEREOF, the parties executed this Agreement the day and year first above written.

(Company Name)

By: (Name of Officer)
Its: President

By: Honorable (Name of Mayor)
Its: Mayor

Address:

Address:
