

**State of Illinois Uniform Notice of Funding Opportunity (NOFO)  
Summary Information**

Awarding Agency Name	Commerce And Econ Opp
Agency Contact	Tiffany Hawkins (CEO.OE3Grant@illinois.gov)
Announcement Type	Initial
Type of Assistance Instrument	Grant
Funding Opportunity Number	FY25-1
Funding Opportunity Title	Small Business Capital and Infrastructure Grant Program
CSFA Number	420-45-2160
CSFA Popular Name	Small Business Capital and Infrastructure Grant Program
Anticipated Number of Awards	40
Estimated Total Program Funding	\$10,000,000
Award Range	\$10000 - \$245000
Source of Funding	State
Cost Sharing or Matching Requirements	No
Indirect Costs Allowed	No
Restrictions on Indirect Costs	No
Posted Date	01/07/2025
Application Date Range	01/07/2025 - 04/07/2025 : 5:00PM
Grant Application Link	Please select the entire address below and paste it into the browser... <a href="https://dceo.illinois.gov/aboutdceo/grantopportunities/2160-2940.html">https://dceo.illinois.gov/aboutdceo/grantopportunities/2160-2940.html</a>
Technical Assistance Session	Offered : Yes Mandatory : No Date : 02/04/2025 : 11:00AM Registration link : <a href="https://illinois.webex.com/webappng/sites/illinois/recording/be37613ac548103da7f79a767e5312f5/playback">https://illinois.webex.com/webappng/sites/illinois/recording/be37613ac548103da7f79a767e5312f5/playback</a>

# Agency-specific Content for the Notice of Funding Opportunity Office of Economic Equity and Empowerment Small Business Capital and Infrastructure Grant Program NOFO ID: 2160-2940

For information about grants please visit <https://dceo.illinois.gov/aboutdceo/grantopportunities/granteeresources.html>.

## A. Program Description

### Notice of Funding Opportunity Intent

The Illinois Department of Commerce and Economic Opportunity (the “Department” or “DCEO”) is issuing this Notice of Funding Opportunity (“NOFO”) to businesses owned by socially and economically disadvantaged individuals (SEDI) or very small businesses (VSBs)<sup>1</sup> to support small business capital improvement projects. This program will offer small business grants across the state to help eligible businesses achieve sustainable growth, improve efficiency, and create and retain jobs.

### Program Background

The 2024 Office of Economic Equity & Empowerment (“OE3”) Small Business Capital and Infrastructure Grant Program builds upon the success of the 2019 Capital Grant Program. Based on the immense need for assistance for businesses of all sizes and types and the Administration’s commitment to equity<sup>2</sup>, this program is designed to help small businesses strengthen their operations, overcome financial challenges, and continue contributing to their communities and Illinois’ economy through capital and infrastructure investments.

The objective of this NOFO opportunity is to equip businesses with resources to create jobs, build capacity, scale operations, and increase revenues, while reaffirming the Department’s dedication to advancing equitable access to opportunities and resources for all Illinois communities.

### Program Overview

Pursuant to Public Act 103-0006, Section 220, the equity-focused OE3 (*formerly OMEE*) Small Business Capital and Infrastructure Grant Program will award grants, up to \$10 million, to support small businesses with capital resources that can be used for infrastructure improvements, acquisition of essential equipment, or the purchase of new property.

This Grant Program will provide financial assistance for initiatives that will drive business growth, enhance operational efficiency, promote sustainability, and support job creation and retention. This funding opportunity is limited to capital improvements and infrastructure projects designed to support SEDI-owned businesses and VSBs.

To promote equitable economic recovery and growth, consistent with the objectives and funding sources of this Grant Program, OE3 will allow an exception to the bondability guidelines for movable durable equipment designated as rolling stock when it functions as the business’s point-of-sale operation. This exception also applies to original furnishings and durable equipment purchases that are essential to the operation of the rolling stock as point of sale operations (see Section B). For eligible mobile businesses, rolling stock, along with original furnishings and durable equipment, also serve as the business’s point-of-sale operation in lieu of a brick-and-mortar facility.

To promote equitable economic recovery and growth, businesses located in Community Development Financial Institution (CDFI) Investment Areas will be prioritized. These businesses are uniquely positioned to benefit from investments that address the needs of economically disadvantaged communities. Projects that focus on job creation, economic revitalization, or increased community engagement in these areas will receive additional points during the review process.

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<sup>1</sup> Socially and Economically Disadvantaged Individuals (SEDI business) and Very Small Businesses (VSBs) as defined by the U.S. Treasury Department. <https://www.govinfo.gov/content/pkg/FR-2021-05-21/pdf/2021-10697.pdf>

<sup>2</sup> Illinois Economic Growth Plan 2024, p.37. [illinoiseconomicgrowthplan2024.pdf](https://www.illinoiseconomicgrowthplan2024.pdf)

The 2024 OE3 Small Business Capital and Infrastructure Grant Program reaffirms the Department's dedication to equitable access to resources. By targeting SEDI- and VSB-owned businesses, the program seeks to not only drive economic recovery but also ensure that the benefits of business development extend to all communities throughout Illinois.

### **Program Objectives:**

- **Business Growth and Expansion:** Facilitate the physical expansion or renovation of business facilities to accommodate increased operations, production, or customer demand, including the acquisition of new property to support business growth.
- **Property Acquisition:** Support the purchase of real estate to establish or expand business operations, especially in underserved or economically disadvantaged areas. This includes acquiring additional space or locations to meet demand and diversify business activities.
- **Operational Efficiency and Modernization:** Improve business productivity through investments in modern equipment, technology upgrades, or enhanced processes.
- **Energy Efficiency and Sustainability:** Encourage sustainable business practices through energy-efficient upgrades, environmentally friendly improvements, and waste reduction initiatives.
- **Compliance and Accessibility Improvements:** Ensure facilities comply with safety regulations and accessibility standards, promoting safer and more inclusive environments for employees and customers.
- **Workforce Development and Job Creation:** Support projects that create or retain jobs, with a focus on hiring and retaining employees in underserved communities.
- **Long-Term Business Sustainability:** Fund projects that contribute to the long-term sustainability of businesses, with performance metrics tracked over 24 months following project completion.

### **Eligible Project Activities**

Examples of eligible bondable capital and infrastructure projects:

#### **1. Planning**

- Architectural/engineering (A/E) design for construction or installation (schematic design to working drawings).
- Construction management and observation.

#### **2. Land and Building Acquisition**

- Costs for acquiring improved or unimproved property, including:
  - Appraisal fees, title opinions, and surveys.
  - Real estate and legal fees, title transfer taxes, and condemnation-related costs.

#### **3. Buildings, Additions, or Structures**

- **New Construction:** Build new structures or facilities.
- **Additions:** Expand existing facilities to increase capacity or services.
- **Reconstruction and Renovation:** Upgrade existing buildings, including:
  - New walls, floors, ceilings, utilities, and finishes.
  - Demolition and installation of furnishings or equipment.
  - Exterior work (e.g., structural repairs, foundations) to extend the facility's useful life.
- **Roof Work:** Removal and replacement of roofing systems to prevent water damage and ice formation.

#### 4. Site Improvements

- Demolition or grading for new development.
- Construction or upgrades of sidewalks, curbs, ramps, and overpasses.
- Parking lot and road improvements, including resurfacing and extension.
- Landscaping and exterior lighting if part of a larger project.

Please note that this list is not exhaustive, for more examples of eligible projects, see the **Bondability Guidelines**: [bondability-guidelines-rebuild-il.pdf](https://www.illinois.gov/bondability-guidelines-rebuild-il.pdf) (illinois.gov).

Examples of allowable non-bondable projects:

##### 1. Rolling Stock

- a commercial vehicle that can move, or be relocated easily, that serves as the point-of-sale operation for the business.
- It often applies to vehicles used for specialized operations, like food service or personal services. (i.e. food trucks, mobile barbers, etc.)

##### 2. Durable Equipment

- equipment essential to the rolling stock point-of-sale operations.

#### Program History

The OE3 (formerly OMEE) Capital Grant Program, originally launched in 2019, was developed to help small businesses—especially those in communities facing barriers to traditional funding—improve infrastructure or acquire new property. The program has been committed to supporting minority-owned businesses with resources to create jobs, build capacity, increase revenues, and expand regionally.

In 2020, the Capital Grant Program provided over \$10 million to minority-owned businesses and incubators serving minority communities. Grantees included educational centers, bakeries, retail and construction companies, manufacturers, and resource centers. Since its inception, the OE3 Capital Grant Program has contributed significantly to economic growth, with over 150 jobs created or retained by 2024. These investments have empowered small businesses to grow and fostered local economic development across Illinois.

#### Performance Goals and Measures

##### **Job Creation/Retention**

- *Job Creation/Retention*: Verify the number of jobs created or retained as a result of the project, based on the job creation/retention plan provided.
- *Salaries*: Average of annualized salaries for permanent full-time jobs created and retained.
  - *Measurement*: Compare actual employment numbers with the job creation/retention projections provided in the application.

##### **Impact on Business**

- *Financial Impact Post-Project*: Evaluate the increase in revenue, profitability, or cost savings after the project completion, as projected in the financial documentation submitted.
  - *Measurement*: Review actual financial performance against the projections submitted in the application (e.g., profit and loss statements, cash flow analyses).

##### **Sustainability and Long-Term Viability**

- *Sustainability of Improvements*: Assess the ongoing viability and sustainability of the project, as outlined in the 24- to 36-month sustainability plan.
  - *Measurement*: Track business performance and maintenance of project outcomes against the sustainability plan and financial projections in the application.

## Community Impact

- *Local Economic Impact:* Measure the project's contribution to local economic development, particularly in underserved areas.
  - *Measurement:* Gather feedback from community stakeholders and compare with the anticipated community impact as described in the application.

## Other Information

N/A

## B. Funding Information

This grant program is utilizing state capital funds appropriated by the General Assembly under Public Act 103-0589 (<https://www.ilga.gov/legislation/publicacts/103/PDF/103-0589.pdf>). Total amount of funding expected to be awarded through this NOFO is up to \$10,000,000. Awards will range from \$10,000 to \$245,000. The Department expects to make no more than 40 awards through this NOFO.

Anticipated start date for awards is August 1, 2025. The period of performance is expected to be August 1, 2025 through July 31, 2027.

The OE3 Small Business Capital and Infrastructure Grant Program will adhere to the bondable requirements outlined in 30 ILCS 420 for funding eligible projects.

To promote equitable economic recovery and growth, consistent with the objectives and the funding sources of this Grant Program, OE3 will allow an exception to the bondability requirement related to durable movable equipment for rolling stock when it serves as the business's point of sale operation.

A bondable capital project includes expenditures that are generally aligned with the following purposes:

- **Architectural Planning and Engineering Design:** Costs related to planning, schematics, and detailed engineering for new construction or improvements.
- **Site Selection and Land Acquisition:** Expenses for identifying, evaluating, and acquiring land or buildings.
- **Building Acquisition:** Purchasing existing properties to support business operations or expansion.
- **Demolition:** Clearing land or structures in preparation for additional construction or improvements.
- **Site Preparation and Improvements:** Grading, paving, landscaping, or installing utilities to ready a site for construction.
- **Utility Work:** Installation, upgrades, or relocation of utilities to support the project.
- **New Construction of Buildings and Structures:** Costs associated with constructing new facilities or structures.
- **Reconstruction or Improvement of Existing Buildings or Structures:** Renovation, modernization, or expansion of current facilities to enhance functionality or extend useful life.
- **Original Furnishings and Durable Equipment:** Purchase of new equipment or fixtures essential for the facility's operation. An exception within this category allows for the inclusion of durable movable equipment for rolling stock when it serves as the business's point-of-sale operation. This exception also applies to original furnishings and durable equipment purchases that are essential to the operation of the rolling stock as point of sale operations.
- **Asset Replacement:** Replacing existing assets with higher-quality or more efficient alternatives.
- **Expansion of Existing Buildings or Facilities:** Increasing the size or capacity of current facilities to accommodate growth.

Allowable costs incurred from the date of the Notice of State Award (NOSA) through the period of performance start date can be charged to the grant, if awarded.

The release of this NOFO does not obligate the Department to make an award.

## C. Eligibility Information

An entity must be registered in the Grant Accountability and Transparency Act (GATA) Grantee Portal, <https://grants.illinois.gov/portal/>, at the time of grant application. The portal will verify that the entity:

- Has a valid FEIN number (<https://www.irs.gov/individuals/international-taxpayers/taxpayer-identification-numbers-tin#:~:text=You%20can%20use%20the%20IRS%27s,for%20Individual%20Taxpayer%20Identification%20Number>);
- Has a current SAM.gov registration (<https://sam.gov>), SAM.gov registrations must be marked as “public” to allow the GATA Grantee Portal to expedite the review of the federal information;
- Has a valid UEI number (<https://sam.gov>);
- Is not on the Federal Excluded Parties List (verified at <https://sam.gov>);
- Is in Good Standing with the Illinois Secretary of State, as applicable ([https://www.cyberdriveillinois.com/departments/business\\_services/corp.html](https://www.cyberdriveillinois.com/departments/business_services/corp.html));
- Is not on the Illinois Stop Payment list (verified once entity is registered in GATA Grantee Portal); and
- Is not on the Department of Healthcare and Family Services Provider Sanctions list (<https://www.illinois.gov/hfs/oig/Pages/SanctionsList.aspx>).

Entities on the Illinois Stop Payment List and/or the Federal Excluded Parties List at time of application submission will not be considered for an award.

An automated email notification to the entity alerts them of “qualified” status or informs how to remediate a negative verification (e.g., not in good standing with the Secretary of State). A federal Debarred and Suspended status cannot be remediated.

Pursuant to the policy of the Illinois Office of the Comptroller, to receive grant funds from the State of Illinois, a grantee must be considered a regarded entity by the IRS for federal income tax purposes. Disregarded entities will not be eligible to receive grant funds.

### 1. Eligible Applicants include:

- Businesses owned by Socially Economically Disadvantaged Individuals (SEDI) with a maximum of 25 full-time permanent employees
- Very Small Businesses (VSBs), businesses with less than 10 employees

The Department complies with all applicable provisions of state and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to: The Illinois Human Rights Act (775 ILCS 5/1-101 et seq.), The Public Works Employment Discrimination Act (775 ILCS 10/1 et seq.), The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a-and 2000H-6), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), The Americans with Disabilities Act of 1990 (42 USC 12101 et seq.), and The Age Discrimination Act (42 USC 6101 et seq.).

### 2. Cost Sharing or Matching.

Cost sharing or matching is not required for this opportunity.

### **3. Indirect Cost Rate.**

This grant opportunity is limited to capital improvement expenses, with an exception for rolling stock when it serves as the business's point of sale operation. The grant will not compensate for indirect costs, overhead or administrative expenses associated with the execution of the program.

Code of Federal Regulations / Title 2 – Grants and Agreements / Vol. 1 / 2014-01-01191

### **4. Freedom of Information Act/Confidential Information.**

Applications and accompanying materials are subject to disclosure in response to requests received under provisions of the Freedom of Information Act (5 ILCS 140/1 et seq.). Information that could be proprietary, privileged, or confidential commercial or financial information should be clearly identified as such in the application materials. The Department will maintain the confidentiality of that information only to the extent permitted by law.

### **5. Other, if applicable.**

Applicants may only submit one application for this funding opportunity.

## **D. Application and Submission Information**

### **1. Address to Request Application Package.**

Grant application forms are available at the web link provided in the "Grant Application Link" field of this announcement or by contacting the Program Manager:

Tiffany Hawkins  
Illinois Department of Commerce & Economic Opportunity  
555 W. Monroe Street, 12<sup>th</sup> Floor  
Chicago, IL 60611  
Tel: 312-877-0620  
Email: [CEO.OE3Grant@illinois.gov](mailto:CEO.OE3Grant@illinois.gov)

### **2. Content and Form of Application Submission.**

A standard application package must be submitted and reviewed by the Department. Each package should contain the following items:

- Uniform Grant Application in fillable PDF format. Signature page must be printed, signed, scanned and submitted with application.
- Uniform Budget utilizing the template provided by DCEO for this project. The entire budget with all worksheets included even if the worksheets are not relevant to the grant opportunity must be submitted with the application materials. Signature page must be printed, signed, scanned and submitted with application.
- Conflict of Interest Disclosure
- Mandatory Disclosures

This Notice of Funding Opportunity also requires the submission of the following other programmatic specific items as part of a program application that can be found on the website where you accessed the application document:

- Program Application
- If applicable, SEDI-Certification
- If applicable, Demographic Disclosure Survey
- Any other required supplemental documentation

**Sections 1 through 5** of the OE3 Capital Grant Program Application must not exceed a total of fifteen (15) pages. **Section 6: Supporting Document Checklist** and **Section 7: Applicant Certification** are not included in this page limit. Any pages exceeding the 15-page limit for Sections 1 through 5 will not be reviewed or considered.

Please note there is a maximum upload of 10 documents in the web form that you submit the application, so combining files may be necessary.

### **3. Unique Entity Identifier (UEI) and System for Award Management (SAM)**

Each applicant (unless the applicant is an individual or Federal or State awarding agency that is exempt from those requirements under 2 CFR 25.110(b) or (c), or has an exception approved by the Federal or State awarding agency under 2 CFR 25.110(d)) is required to:

- (i) Be registered in SAM. To establish a SAM registration, go to [www.SAM.gov](http://www.SAM.gov) and/or utilize this instructional link: How to Register in SAM from the [www.grants.illinois.gov](http://www.grants.illinois.gov) Resource Links tab. SAM.gov registrations must be “public.”
- (ii) Provide a valid UEI number in the GATA Grantee Portal registration.
- (iii) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal, Federal pass-through or State award or an application or plan under consideration by a Federal or State awarding agency. The State awarding agency may not make a Federal pass-through or State award to an applicant until the applicant has complied with all applicable UEI and SAM requirements and, if an applicant has not fully complied with the requirements by the time the State awarding agency is ready to make a Federal pass-through or State award, the State awarding agency may determine that the applicant is not qualified to receive a Federal pass-through or State award and use that determination as a basis for making a Federal pass-through or State award to another applicant.

### **4. Submission Dates and Times.**

Applications for this opportunity must be submitted by **Monday, April 7, 2025 at 5PM.**

Application materials must be submitted to the Department via electronic form at <https://app.smartsheet.com/b/form/54ae15bd6e4d4c88a51b04d6167ea04e>

The Department is under no obligation to review applications that do not comply with the above requirements. Failure to meet the application deadline may result in the Department returning application without review or may preclude the Department from making the award.

### **5. Intergovernmental Review, if applicable.**

N/A

### **6. Funding Restrictions.**

This opportunity does allow reimbursement of pre-award costs incurred between issuance of the notice of state award (NOSA) and the execution of the grant agreement allow reimbursement of pre-award costs.

Funding is available for bondable expenditures as described in the Build Illinois Bond Act (30 ILCS 425).

Other restrictions can be found in Sections A., B., and C.

### **7. Other Submission Requirements.**

Documents stored in Google Docs or other cloud-based servers are not allowed.



Applicants may confirm receipt of the application and documents by contacting the program contact listed in this NOFO.

## E. Application Review Information.

### 1. Criteria.

Grant Proposals will be reviewed on a competitive basis and will be scored on a 100-point scale. The threshold for not recommending designation is set by the Department. The Department shall consider the following criteria when evaluating the application submittal: Capacity, Need and Quality.

<b>Need- Identification of stakeholders, facts, and evidence that demonstrate the proposal supports the grant program purpose (30 points)</b>	
<b>Business Need and Impact (30 points)</b>	
<ul style="list-style-type: none"> <li>• <b>Financial Impact:</b> The applicant provides specific, well-documented projections showing how the project will positively impact business performance through revenue growth, cost savings, and improved profitability.</li> </ul>	10
<ul style="list-style-type: none"> <li>• <b>Job Creation/Retention:</b> The project demonstrates potential to create or retain jobs, with specific hiring goals and timelines.</li> </ul>	10
<ul style="list-style-type: none"> <li>• <b>Community Impact:</b> The project shows potential for meaningful economic revitalization in the local community through engagement, services, or partnerships, especially in underserved areas.</li> </ul>	10
<b>Capacity- The ability of the applicant to execute the project according to requirements of the grant program (50 points)</b>	
<b>Project Feasibility (20 points)</b>	
<ul style="list-style-type: none"> <li>• <b>Clarity of Project Plan:</b> The applicant provides a clear, comprehensive project plan with well-defined milestones, timelines, and responsibilities.</li> </ul>	10
<ul style="list-style-type: none"> <li>• <b>Budget Adequacy:</b> The budget aligns with the project's scope, and resources are appropriately allocated based on cost estimates.</li> </ul>	10
<b>Business Capacity (30 points)</b>	
<ul style="list-style-type: none"> <li>• <b>Project Execution Capability:</b> The applicant demonstrates a strong capacity to manage and complete the project based on prior experience, existing infrastructure, and qualified personnel.</li> </ul>	15
<ul style="list-style-type: none"> <li>• <b>Financial Preparedness:</b> The applicant provides a detailed financial overview, including annual revenue, profit margins, and any significant financial obligations. Supporting documentation demonstrates readiness to maintain project outcomes over time.</li> </ul>	15
<b>Quality- The totality of features and characteristics of the project that indicate its ability to satisfy the requirements of the grant program (20 points)</b>	
<b>Project Readiness and Location-Based Impact (20 points)</b>	
<ul style="list-style-type: none"> <li>• <b>Organizational Preparedness and Readiness to Launch:</b> The applicant indicates readiness to begin the project, including the availability of resources, clear timelines, and any necessary preliminary approvals such as zoning permits, building permits, environmental clearances, or lease/purchase agreements.</li> </ul>	10
<ul style="list-style-type: none"> <li>• <b>Location-Based Priority in CDFI Investment Area:</b> The project is located in a Community Development Financial Institution (CDFI) Investment Area and directly addresses the specific needs of economically disadvantaged communities within that area.</li> </ul>	10

### 2. Review and Selection Process.

Applications will be graded using the Merit Review Process and scored on the criteria specified in Section E.1. The Department will designate an Evaluation Committee to grade each application received for this funding opportunity. The final score of each Committee member will be calculated and an average of all scores will be the final applicant score. Grants will be awarded using the Merit Review Process and scored on the criteria specified in Section E.1. DCEO will designate an Evaluation Committee to grade each application received for this funding opportunity. The final score of each committee member will be calculated and an average of all scores will be the final grantee score. Each applicant will then be ranked according to an average of all the criteria and awards will be recommended according to project ranking and available funding.

Businesses located in Community Development Financial Institution (CDFI) Investment Areas will be prioritized. DCEO may take into account geographic distribution, in addition to applicant score, when making award determinations.

The Merit Based Review process is subject to appeal. However, competitive grant appeals are limited to the evaluation process. Evaluation scores may not be protested. Only the evaluation process is subject to appeal. The appeal must be submitted in writing to the Department within 14 calendar days after the date that the grant award notice has been published. The written appeal shall include the name and address of the appealing party, the identification of the grant and a statement of reasons for the appeal. To file an appeal, applicants must submit the appeal in writing and in accordance with the Merit-Based Application Review Appeals Process listed on the Grant Opportunities page of the DCEO website:  
<https://dceo.illinois.gov/aboutdceo/grantopportunities/meritappeview.html>.

### **3. Anticipated Announcement and State Award Dates, if applicable.**

After the application period is closed, the Department will conduct a merit based review of eligible applications. Successful applicants will receive a Notice of State Award (NOSA) to initiate the grant agreement phase. During this phase, you will be contacted by a grant manager to develop a grant agreement, which can be a months long process depending on complexity, cooperation, and conformity with all applicable federal and state laws.

The Department reserves the right to issue a reduced award, or not to issue any award.

## **F. Award Administration Information**

### **1. State Award Notices.**

The Notice of State Award (NOSA) will specify the funding terms and specific conditions resulting from the pre-award risk assessments and the merit based review process. The NOSA must be accepted in the GATA Portal by an authorized representative of the grantee organization. The NOSA is not an authorization to begin performance or incur costs.

### **2. Administrative and National Policy Requirements.**

**Subrecipients and Subcontractors:** Agreement(s) and budget(s) with subrecipients and subcontractors must be pre-approved by and on file with DCEO. Agreements can be submitted to DCEO when available. Subcontractors and subrecipients are subject to all applicable provisions of the Agreement(s) executed between DCEO and the grantee. The successful applicant shall retain sole responsibility for the performance of its subrecipient(s) and/or subcontractor(s).

**Grant Uniform Requirements:** The Grant Accountability and Transparency Act (30 ILCS 708/1 *et seq.*) (and its related administrative rules, 44 Ill. Admin. Code Part 7000), was enacted to increase the accountability and transparency in the use of grant funds from whatever source and to reduce administrative burdens on both State agencies and grantees by adopting federal

guidance and regulations applicable to those grant funds; specifically, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200).

**Procurement:** Grantees will be required to adhere to methods of procurement per the Procurement Standards (2 CFR 200.317 – 2 CFR 200.327).

**Business Enterprise Program:** For grant awards of \$250,000 or more, grantees will be required to comply with the Business Enterprise Program for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575/0.01 *et seq.*), which establishes a goal for contracting with businesses that have been certified as owned and controlled by persons who are minority, female or who have disabilities. The Department will work with the grantees to ensure compliance prior to the establishment of the grant agreement as well as through the life of the grant.

**Environmental Review Requirements:** Capital grants will be reviewed to determine environmental review requirements. Based on the scope of the project, the grantees may be required to complete additional environmental approvals before a grant agreement can be initiated.

**Works Jobs Program Act (30 ILCS 559/20-1 *et seq.*):** For grants with an estimated total project cost of \$500,000 or more, the grantee will be required to comply with the Illinois Works Apprenticeship Initiative (30 ILCS 559/20-20 to 20-25) and all applicable administrative rules. The “estimated total project cost” is a good faith approximation of the costs of an entire project being paid for in whole or in part by appropriated capital funds to construct a public work. The goal of the Illinois Apprenticeship Initiative is that apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less. Grantees will be permitted to seek from the Department a waiver or reduction of this goal in certain circumstances pursuant to 30 ILCS 559/20-20(b). The grantee must ensure compliance for the life of the entire project, including during the term of the grant and after the term ends, if applicable, and will be required to report on and certify its compliance.

**Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*):** Applicants that are awarded grants shall comply with all requirements of the Prevailing Wage Act, including but not limited to, inserting into all contracts for construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the project shall be paid to all laborers, workers, and mechanics performing work under the award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract. Grantees will be required to report on Prevailing Wage Act compliance on a monthly basis.

**Employment of Illinois Workers on Public Works Act (30 ILCS 570/0.01 *et seq.*):** All grantees will be required to comply with the Employment of Illinois Workers on Public Works Act (30 ILCS 570/0.01 *et seq.*) (the “Act”), which provides that whenever there is a period of excessive unemployment in Illinois (as defined by the Act), if the Grantee is using Grant Funds for (1) constructing or building any public works, or (2) performing the clean-up and on-site disposal of hazardous waste for the State of Illinois or any political subdivision of the State, then the Grantee shall employ at least 90% Illinois laborers on such project. Illinois laborers refers to any person who has resided in Illinois for at least 30 days and intends to become or remain an Illinois resident. Grantees may receive an exception from this requirement by submitting a request and supporting documents certifying that Illinois laborers are either not available, or are incapable of performing the particular type of work involved. The certification must: (a) be submitted to the grant manager within the first quarter of the Award Term; (b) provide sufficient support that demonstrates the exception is met; (c) be signed by an authorized signatory of the Grantee; and (d) be approved by DCEO in consultation with the Illinois Department of Labor. In addition, every contractor on a public works project or improvement or hazardous waste clean-up and on-site disposal project in this State may place on such work no more than 3 (or 6 in the case of a hazardous waste clean-up and on-site disposal project) of the contractor’s regularly employed non-resident executive and technical experts.

### 3. Reporting.

#### **Periodic Performance Report (PPR) and Periodic Financial Report (PFR)**

Grantees funded through this NOFO are required to submit in the format required by the Grantor, at least on a quarterly basis, the PPR and PFR electronically to their assigned grant manager. The first of such reports shall cover the first three months after the award begins. Pursuant to 2 CFR 200.328, Periodic Financial Reports shall be submitted no later than 30 calendar days following the period covered by the report. Pursuant to 2 CFR 200.329, Periodic Performance Reports shall be submitted no later than 30 calendar days following the period covered by the report. Any additional reporting requirements will be disclosed in the NOSA. Grantees are required within 45 calendar days following the end of the period of performance to submit a final closeout report in the format required by the Grantor (See 2 CFR 200.344).

#### **Monitoring**

Grantees funded through this NOFO are subject to fiscal and programmatic monitoring visits by the Department in accordance with 2 CFR 200.337. They must have an open-door policy allowing periodic visits by Department monitors to evaluate the progress of the project and provide documentation upon request of the monitor. Program staff will also maintain contact with participants and monitor progress and performance of the contracts. The Department may modify grants based on performance.

#### **Audit**

Grantees shall be subject to Illinois' statewide Audit Report Review requirements. Terms of the Single Audit Act Amendments of 1996 (31 USC 7501-7507), Subpart F of 2 CFR Part 200, and the audit rules set forth under the Grant Accountability and Transparency Act Admin Rules shall apply (See 44 IL Admin Code 7000.90).

In addition to financial and performance reporting, grant recipients will be required to submit a quarterly report via Smartsheet. This reporting period begins when the grant funds are dispersed and ends when the project is closed out. Once the project is closed out, grantees will also be required to submit a semi-annual report via Smartsheet. This reporting period lasts two years.

## **G. State Awarding Agency Contact(s)**

Grant Help Desk  
Illinois Department of Commerce & Economic Opportunity  
Email: [CEO.GrantHelp@illinois.gov](mailto:CEO.GrantHelp@illinois.gov)

## **H. Other Information, if applicable**

### 1. **Program Definitions.**

***Business Enterprise Program (BEP):*** the Business Enterprise Program (BEP) is administered by CMS. The program certifies vendors as disadvantaged businesses after reviewing documentation submitted by applicant vendors and determining that the vendors meet various program requirements<sup>1</sup>. The BEP recognizes the certification of businesses owned by minorities, women, or persons with disabilities, who are certified by the City of Chicago or Cook County, with a single affidavit, leading to full certification in seven business days.

***Capital Improvements:*** a project aimed at physically expanding, improving, renovating, rehabilitating, or constructing a facility owned or leased by the applicant. Capital improvements include the acquisition of permanent tangible assets such as land, buildings, structures, equipment, and furnishings, as well as expenditures for goods or services that are typically capitalized. This includes organizational costs and research and development expenses incurred within the state of Illinois, provided they are part of an approved project.

**Full-time employee:** an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. [35 ILCS 10/5-5.]

**Key Performance Indicators (KPIs):** measurable values that indicate how effectively an individual, organization, or project is achieving key objectives. In the context of your program, KPIs will help track the success of the capital improvement projects and demonstrate whether the funded projects deliver the expected impact over time.

**Minority individual.** A natural person who identifies as American Indian or Alaska Native; Asian American; Black or African American; Native Hawaiian or Other Pacific Islander; Hispanic or Latino/a; or one or more than one of these groups.

Minority-owned or controlled business. A business that:

- if privately owned, 51 percent or more is owned by minority individuals;
- if publicly owned, 51 percent or more of the stock is owned by minority individuals;
- in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of minority individuals; or
- one or more minority individuals have the power to exercise a controlling influence over the business.

**Notice of State Award (NOSA).** A NOSA is an official document issued by an awarding agency to entities selected for funding.

**Principal owner.** A natural person who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity of the business. If a trust owns, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, 25 percent or more of the equity interests of the business, the trustee is a principal owner.

**Socially and Economically Disadvantaged Individuals (SEDI)-owned business.** A business enterprise that certifies that it is owned and controlled by individuals who have had their access to credit on reasonable terms diminished compared to others in comparable economic circumstances, due to:

1. Membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society,
2. Gender,
3. Veteran status,
4. Limited English proficiency,
5. Disability,
6. Long-term residence in an environment isolated from the mainstream of American society,
7. Membership of a Federally or state-recognized Indian Tribe,
8. Long-term residence in a rural community,
9. Residence in a U.S. territory,
10. Residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization), or
11. Membership of an underserved community. "Underserved communities": Underserved communities are populations sharing a particular characteristic, as well as geographic communities, that have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life, as exemplified by the list in the definition of equity. Equity": Equity is consistent and systematic, fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been

denied such treatment, such as Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality;

- A business enterprise that certifies that it is owned and controlled by individuals whose residences are in Community Development Financial Institution (CDFI) Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii)
- A business enterprise that certifies that it will build, open, or operate a location in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii)2;
- a business enterprise that certifies that it is located in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii). The CDFI Fund evaluates Puerto Rico, but not other territories, in identifying CDFI Investment Areas. For purposes of the SSBCI, Treasury has also evaluated American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands and has determined that these territories in their entirety constitute CDFI Investment Areas, because each of these territories has a poverty rate of at least 20 percent. See 12 C.F.R. § 1805.201(b)(3)(ii)(D)(1) ARPA Act of 2021 (Pg 71 No. 15-18) (<https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf>)

For purposes of the definition of “**SEDI-owned business**,” a business is “owned and controlled” by applicable individuals:

- if privately owned, 51 percent or more is owned by such individuals;
- if publicly owned, 51 percent more or of the stock is owned by such individuals; and
  - 1) in the case of a mutual institution, if a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of such individuals.

***Socially Disadvantaged.*** Is defined by reference to section 8 of the Small Business Act<sup>7</sup> (15 U.S.C. 637) and the regulations thereunder, socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

***Very Small Business or VSB*** – means a business with fewer than 10 employees and includes independent contractors and sole proprietors.

***Veteran-owned or controlled business.*** A business that:

- if privately owned, 51 percent or more is owned by veterans;
- if publicly owned, 51 percent or more of the stock is owned by veterans;
- in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of veterans; or
- one or more individuals who are veterans have the power to exercise a controlling influence over the business.

***Women-owned or controlled business.*** A business that:

- if privately owned, 51 percent or more is owned by females;
- if publicly owned, 51 percent or more of the stock is owned by females;
- in the case of a mutual institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of females; or
- one or more individuals who are females have the power to exercise a controlling influence over the business.