



OE3 SMALL BUSINESS CAPITAL & INFRASTRUCTURE GRANT PROGRAM

FAQs

OE3 CAPITAL GRANT ELIGIBILITY

Q: Who can apply for the OE3 Capital Grant Program?

A: Eligible applicants include:

- Businesses owned by Socially Economically Disadvantaged Individuals (SEDI) with a maximum of 25 full-time permanent employees.
- Very Small Businesses (VSBs) with less than 10 employees, including independent contractors and sole proprietors.

Q: What constitutes a Socially Economically Disadvantaged Individual (SEDI) Business?

A: A SEDI business is defined by the U.S. Department of the Treasury as:

- A business enterprise owned and controlled by individuals whose residences are in a Community Development Financial Institution (CDFI) investment area;
- A business enterprise that will build, open, or operate a location in a CDFI Investment Area; OR
- A business that certifies 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 their:
 - membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;
 - gender;
 - veteran status;
 - limited English proficiency;
 - disability;
 - long-term residence in an environment isolated from the mainstream of American society;
 - membership of a federally or state-recognized Indian Tribe;
 - long-term residence in a rural community;
 - residence in a U.S. territory;
 - residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or
 - membership of an underserved community (see Executive Order 13985, under which “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,” and “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 10 queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality).

- If **privately** owned, 51% is owned by one or more socially and economically disadvantaged individuals.
- If **publicly** owned, 51% of the stock is owned by one or more socially and economically disadvantaged individuals.

Q: What constitutes a Very Small Business (VSB)?

A: Very Small Business is defined as a business with fewer than 10 employees and may include independent contractors and sole proprietors.

Q: Do businesses need to self-certify to be recognized as a Socially and Economically Disadvantaged Individual (SEDI) business?

A: Yes. If you choose to self-certify as a SEDI-owned business, you must either complete the SEDI-Certification document, Demographic Disclosure Survey, or submit a copy of your Business Enterprise Program (BEP) certification. The SEDI-Certification and Demographic Disclosure Survey may be found at the bottom of the [NOFO Opportunity webpage](#) under Application Documents.

Q: How do I certify my business as a Very Small Business (VSB)?

A: A business is considered a VSB if it has fewer than 10 employees. Applicants may demonstrate their VSB status in the Program Application by: providing their employee count in Section 4: Impact Assessment, under the Projected Employment Impact Table; or by identifying as an independent contractor or sole proprietor (if applicable) in Section 1: Business Information, Question 7.

Q: Is a Very Small Business (VSB) automatically considered a Socially and Economically Disadvantaged Individual (SEDI) business?

A: No. A VSB is not automatically considered a SEDI business. However, a business can qualify as both, if it meets the criteria for both classifications. If you choose to self-certify as a SEDI-owned business, you must either complete the SEDI-Certification document, Demographic Disclosure Survey, or submit a copy of your Business Enterprise Program (BEP) certification. The SEDI-Certification and Demographic Disclosure Survey may be found at the bottom of the [NOFO Opportunity webpage](#) under Application Documents.

Q: Who is considered a socially and economically disadvantaged individual?

A: **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. **Economically disadvantaged individuals** are socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged.

Q: What is a Community Development Financial Institution (CDFI) Investment Area?

A: The population in CDFI Investment Areas serves as a proxy for the needs of SEDI-owned businesses because these areas are generally low-income, high-poverty geographies that receive neither sufficient access to capital nor support for the needs of small businesses, including minority-owned businesses. A CDFI must have a primary mission of promoting community development. In determining whether an entity has such a primary mission, the CDFI Fund will consider whether the activities of the entity are purposefully directed toward improving the social and/or economic conditions of underserved people (which may include Low-Income persons or persons who lack adequate access to capital and/or Financial Services) and/or residents of economically distressed communities (which may include Investment Areas).

To determine if your business is located in a CDFI Investment Area, please visit [CDFI Public Viewer - InVision](#) and enter your business address in the search bar. If your location qualifies, the area in the return result will be shaded in green, and a CDFI Tract number will be displayed near the top left of the page.

Q: Will certain applications be given priority for the OE3 Small Business Capital and Infrastructure Grant Program?

A: Yes, DCEO will prioritize applications submitted by eligible businesses located in a [Community Development Financial Institution \(CDFI\) Investment Area](#).

For the Small Business Capital and Infrastructure Grant Program, a business may qualify for prioritization if it is:

- Physically located within a CDFI Investment Area, or
- Owned and controlled by individuals whose primary residences are in a CDFI Investment Area.

Q: What is considered a rural area?

A: A rural area is any location that lies outside of urbanized areas or urban clusters, as defined by the U.S. Census Bureau. These areas generally have low population density and are not part of a metropolitan region.

You can check if an area is rural using these tools:

- USDA Rural Development Eligibility Map: <https://eligibility.sc.egov.usda.gov>
- Census Bureau's TIGERweb Tool: <https://tigerweb.geo.census.gov>

Q: Does living in a rural area qualify someone as a Socially and Economically Disadvantaged Individual (SEDI)?

A: Yes, individuals with long-term residence in a rural community may qualify as SEDI if they have historically faced barriers to economic opportunities.

Q: What is considered "long-term residence" in a rural community?

A: "Long-term residence" generally means living for an extended, continuous period in a rural community. While there is no universally set number of years, many federal programs define long-term residence as:

- At least 5–10 years, or
- A significant portion of one's life (e.g., childhood into adulthood).

Factors that may demonstrate long-term residence include:

- Voter registration and tax filings in a rural area
- Property ownership or long-term rental history
- School attendance or employment history in a rural community
- Utility bills, leases, or other records showing continuous residence

Q: Are food trucks eligible to apply?

A: Yes, food trucks are eligible expenses under this program if they serve as a primary Point of Sale (POS) vehicle in lieu of a brick-and-mortar facility.

Q: Are cannabis businesses eligible to apply?

A: No, this funding opportunity is not designated for cannabis business establishments.

Q: Are home-based businesses eligible for funding?

A: Home-based businesses may be eligible if they are seeking to expand into a brick-and-mortar space. Grant funds are intended for commercial properties and businesses operating in a designated business space. Funding for residential property improvements are not eligible under this program.

Q: Are not-for-profits eligible to apply?

A: No. This opportunity is open to eligible for-profit businesses only.

Q: Are municipalities (villages, cities, townships) eligible to apply?

A: No. This opportunity is open to for profit businesses owned by Socially Economically Disadvantaged Individuals (SEDI) with a maximum of 25 full-time permanent employees and Very Small Businesses (VSBs) with less than 10 employees.

Q: Can funds be used to purchase fleet or transportation vehicles:

A: No. Transportation-related expenses, such as vehicle purchases, are not eligible under this program, as outlined in the [bondability guidelines](#). An exception within this category allows for the inclusion of rolling stock when it serves as the business's primary point-of-sale operation as outlined in the NOFO.

Q: If I filed for bankruptcy will that disqualify my application?

A: Personal bankruptcy will not disqualify an applicant.

Q: Is my credit score checked for this grant?

A: No, applying for the OE3 Capital Grant Program does not require a credit check.

Q: Can a business not located in a CDFI area apply?

A: Yes, businesses located outside of a CDFI area are still eligible to apply.

Q: Are businesses located or headquartered outside of Illinois eligible to participate in the grant opportunity?

A: This program is designed to assist for-profit businesses with capital improvement projects in Illinois. However, to be eligible, businesses must meet specific criteria, including:

- Being physically based in Illinois or demonstrating significant operations within the state.
- Meeting GATA prequalification requirements.
- Submitting a complete application with all required documentation.

If your business is registered in another state but operates in Illinois, eligibility will depend on whether you have a physical, registered business location in Illinois.

Q: If a business is applying for funding to establish operations as a rolling stock vehicle, how can they demonstrate that they are located in a CDFI Investment Area?

A: A rolling stock business can demonstrate eligibility for CDFI Investment Area prioritization by using their business registration address. If the registered business address is located within a designated CDFI Investment Area, they may qualify for prioritization points.

Q: Do I need to be Grant Accountability and Transparency Act (GATA) pre-qualified to be considered eligible for this opportunity?

A: Yes, a business must be GATA pre-qualified to be considered eligible for this grant. Create an account on the Illinois GATA Grantee Portal [here](#).

Q: When registering for GATA, does a Sole Proprietor need a Certificate of Good Standing from the Secretary of State?

A: No, once an entity selects "Sole Proprietor" in the GATA Portal as their Organization type, the GATA Portal will reflect that the SOS is not required for that specific pre-qualification requirement.

APPLYING FOR THE OE3 CAPITAL GRANT

Q: Where does someone begin if this is their first time applying for a grant?

A: DCEO has a number of [online video training and resources](#) that will introduce current and potential grantees to the content, functions, and processes of grant programs, including what steps need to be completed by a potential grantee.

Q: Can a business submit more than one (1) application?

A: No. Each business is limited to one application for this funding opportunity.

Q: How do I apply for the OE3 Capital Grant Program?

A: To apply, visit the Notice of Funding Opportunity (NOFO) webpage [here](#), where you can review the NOFO supplement and access all required application materials. Be sure to follow the instructions carefully and submit all necessary documentation by the deadline by **Monday, April 7, 2025, at 5pm**.

Q: What do I need to include in my application package?

A: As part of the application, the following documents must be submitted **within the [Smartsheet Application Form](#)**:

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

***NOTE:** Be sure to refer to the [NOFO supplement](#) and [Application Instructions](#) to ensure all required parts of the application package are submitted electronically, otherwise your application will not be considered.

Q: Should the Uniform Budget reflect one or both years of the grant term?

A: The Uniform Budget submitted should be reflective of the anticipated two-year grant period.

Q: How do you decide who will be awarded OE3 Capital Grant Program dollars?

A: DCEO will designate an evaluation committee to review the OE3 Capital Grant Program applications. Applications will be reviewed on a competitive basis and graded on a 100-point scale based on need, capacity, and quality. The final score of each Committee member will be calculated and the average of all scores will be the applicant's final score. Grants will be awarded from highest score to lowest scores until funding is exhausted.

OE3 CAPITAL GRANT PROGRAM FUNDING SPECIFICS

Q: How much money is available? How many grants do you plan to award?

A: Total amount of funding expected to be awarded through this NOFO is up to \$10 million. Awards will range from \$10,000 to \$245,000. The Department expects to make no more than 40 awards through this NOFO.

Q: Is the award range of up to \$245,000 for one year or both years?

A: The grant amount awarded will be reflective of the two-year grant period.

Q: What can OE3 Capital Grant Program dollars be used for?

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

Q: Is the purchase of equipment only allowed if it is tied to a larger bondable project such as infrastructure (i.e., would it be allowable to only purchase equipment alone without incorporating any other type of bondable activity)?

A: Purchase of equipment must be tied to a larger bond project such as infrastructure. Purchase of equipment alone is not bondable. (i.e., Grantee cannot purchase equipment to furnish an existing facility. If grantee is building a brand-new facility, equipment can be included in the cost of the total project). (i.e. – Hospital wants to purchase MRI machines, this equipment alone is not bondable but if they renovate the room and include electrical, drywall, plumbing, etc., this project is now bondable and the MRI machines can be purchased as part of the overall project).

Q: Does a rolling stock vehicle need to be the sole Point of Sale for a business, or can it be a secondary Point of Sale in addition to a business' brick and mortar location?

A: A rolling stock vehicle **must** serve as a primary Point of Sale (POS) in lieu of a brick-and-mortar facility to be considered for funding under this program. This means that the vehicle must be essential to generating revenue and directly facilitating sales transactions in lieu of a brick-and-mortar facility rather than serving only as a secondary or supplementary sales channel for a brick-and-mortar business.

Q: Can funds be used to purchase mixed used buildings if the business will occupy at least 51% of the square footage of the building?

A: Funds may be used for co-owned buildings; co-owned but mixed used buildings are also bondable as long as they meet the intent of the opportunity/grant program.

Q: Can funds be used for debt consolidation or to pay off existing loans?

A: No. If approved to receive a grant, funds may only be utilized for costs incurred from the date of the Notice of State Award (NOSA) through the period of performance start date may be charged to the grant.

Q: Are indirect costs allowed under this program?

A: No, the grant will not compensate for indirect costs, overhead, or administrative expenses associated with the execution of the program. This grant opportunity is limited to capital improvement expenses.

Q: Is there a cost sharing or matching requirement for this opportunity?

A: No, cost sharing or matching is not required for this opportunity.

Q: Is this grant opportunity subject to Prevailing Wage requirements is awarded?

A: Yes, this grant is subject to prevailing wage: **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.

The Department of Labor houses all relevant information regarding The Prevailing Wage Act. The Prevailing Wage Act requires contractors and subcontractors to pay laborers, workers, and mechanics employed on public works projects, no less than the general prevailing rate of wages (consisting of hourly cash wages plus fringe benefits) for work of similar character in the locality where the work is performed.

Violators must pay workers the difference between the wage paid and the prevailing wage and are subject to penalties and punitive damages. A contractor or subcontractor found to have violated the Act on two occasions in a five-year period may be disbarred from public works projects for four years. Contractors are required to post prevailing wage rates at job sites.

Q: What are Prevailing Wage rates?

A: The Prevailing Wage rates are covered under two separate laws: Prevailing Wage Act (<http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=2405&ChapAct=820%26nbsp%3bILCS%26nbsp%3b130/&ChapterID=68&ChapterName=EMPLOYMENT&ActName=Prevailing+Wage+Act.>) and Illinois Procurement Code (<http://www.ilga.gov/commission/jcar/admincode/056/05600100sections.html>).

The rate schedules are the prevailing wage rates required to be paid for work performed on or after January 15, 2025, on public works projects in each County Pursuant to 820 ILCS 130/4, public bodies in each County that have active public works projects are responsible for notifying all contractors and subcontractors working on those public works projects of the change (if any) to rates that were previously in effect.

Pursuant to PA 100-1177 and 820 ILCS 130/5.1, the Illinois Department of Labor is charged with developing and maintaining an online portal for prevailing wage construction contractors to file their certified payrolls with the department. The Illinois Department of Labor is also charged with developing portal for submitting collective bargaining and associated rates for the Department to ascertain the prevailing wage rates in each county as part of its annual survey process.

A link to the current prevailing wage rates, the Certified Transcript Payroll Portal, and the survey portal can be found below.

<https://labor.illinois.gov/laws-rules/conmed/rates.html>

<https://labor.illinois.gov/laws-rules/conmed/certifiedtranscriptofpayroll.html>

<https://webapps.illinois.gov/DOL/PrevailingWage/>

TIMELINE FOR THE OE3 CAPITAL GRANT

Q: When is the deadline to apply for the OE3 Small Business Capital & Infrastructure Grant Program?

A: The deadline to apply for the OE3 Capital Grant Program is **Monday, April 7, 2025, at 5:00 p.m.** Central Time. Late applications will not be reviewed or accepted (5:01pm is considered late). Submit your applications early to avoid any submission issues.

Q: When will I be notified if I was selected for the OE3 Small Business Capital & Infrastructure Grant Program?

A: DCEO *anticipates* sending Notice of State Awards (NOSAs) at minimum, 12 weeks after the application closes. This time frame may be extended depending on the volume of applications received. The Department reserves the right to issue a reduced award or not to issue any award.

OE3 SMALL BUSINESS CAPITAL & INFRASTRUCTURE GRANT PROGRAM DISBURSEMENT/POST-DISBURSEMENT

Q: What would be expected of me as an OE3 Small Business Capital & Infrastructure Grant Program funding recipient?

A: Expectations of an OE3 Capital Grant Program recipient include:

- Successful Project Execution: Complete the approved scope of work, meet performance goals, and achieve established measures.
- Timely Reporting: Submit accurate Quarterly Periodic Performance Reports (PPRs) and Quarterly Periodic Financial Reports (PFRs) in accordance with program requirements.
- Monitoring Compliance: Participate in fiscal and programmatic monitoring visits conducted by the Department, as required by 2 CFR 200.337.
- Audit Requirements: Comply with Illinois' statewide Audit Report Review requirements.

***NOTE:** This is *not* the entire list of Grantee Expectations. For exact details on Grantee expectations, please refer to the [online NOFO](#).

Q: If I am selected as a OE3 Capital Grant Program funding recipient, when can I expect to receive my grant dollars?

A: The timeframe for when grant funds will be direct deposited, or a paper check issued, is determined by the Illinois Office of the Comptroller (IOC). If awarded, you will be able check the status of your Vendor Payment by visiting the IOC website linked here: [Vendor Payments - The Illinois Office of Comptroller](#).

Q: Is this grant awarded as an advance or reimbursement based?

A: The grant provides a variable advance of 25% of the approved grant amount upon execution of the Uniform Grant Agreement (UGA). The remaining funds are reimbursed based on eligible expenses incurred, following the programs expenditure and reporting requirements.

Q: What is the performance period for the OE3 Capital Grant Program?

A: The anticipated start date for awards is 08/01/2025, and the performance period is expected to be 08/01/2025 through 07/31/2027.

Q: If awarded, are pre-awards costs eligible for reimbursement under this opportunity?

A: Yes, costs incurred from the date of the Notice of State Award (NOSA) through the period of performance start date may be charged to the grant.

OTHER

Q: Does the OE3 Capital Grant Program Application have any page limits?

A: Yes. Sections 1 through 5 of the OE3 Capital Grant Program Application must not exceed a total of 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.

Q: How do I submit the supplemental documentation?

A: Documents are submitted via the File Upload Option in the [Smartsheet form](#). Please note that there is a 10-file maximum when submitting documentation. Make sure that your documents are clearly named. Refer to the **File Formatting and Uploading Instructions** section of the **Application Instructions** Word document for detailed instructions on how to properly name and combine your documents. This document can be found at the bottom of the [NOFO webpage](#). The guidance set forth in this document should be carefully reviewed and followed.

Q: Will the OE3 Capital Grant Program Notice of Funding Opportunity (NOFO) be posted online in other languages?

A: Yes, the NOFO will be posted in both [English](#) and [Spanish](#).

Q: Will rejection notices be sent at the same time as a Notice of State Award (NOSA)?

A: Applicants will be notified of their approval or denial via email. All applicants will be notified of their approval or denial during the same window.

Q: Are grant funds taxable?

A: Yes, grant funds may be considered taxable income and should be reported accordingly. Businesses receiving grant funding should consult with a tax professional or accountant to understand the tax implications based on their specific circumstances.

Q: Are these grants subject to audits?

A: All Grantees are expected to complete an audit for each fiscal year an award is active— the type of audit is dependent upon the amount of state and federal grants awarded during the Audit period which also coincides with your entity's fiscal year.

If your entity expends **less** than \$300,000, grantees can expect to complete a CYEFR Only Audit, which is completed in the GATA Portal by certifying the amount of funds expended and completing the Consolidated Year in Financial Report. If your entity is completing an audit for other reasons, that also must be included in the Portal.

If expending over \$300,000, entities are responsible for either a Single Audit, GAAS, or GAGAS Audit. We have a great video detailing the audit process and types available on our Video Training page: <https://dceo.illinois.gov/aboutdceo/grantopportunities/learning-library.html> located under the Audit Video are PDF resources to help explain more about Audits as well.

If you do not have an auditor in place for your entity, we highly recommend establishing a relationship with one as soon as possible as there is a shortage of audit firms in Illinois.