PRIME SITES FAQs

Prime Sites Grant Program

Below are some frequently asked questions about the Business Development Prime Sites Grant. Please note, when referencing a specific qualifying tax credit program in the questions and responses below, it can be assumed that all of the qualifying tax credit programs are under the same guidelines. The qualifying tax credit programs are:

- EDGE Illinois Economic Development for a Growing Economy
- REV Reimaging Electric Vehicles Illinois Program
- HIB Illinois High Impact Business Program
- MICRO Manufacturing Illinois Chips for Real Opportunity

Grant Application Process

How to best navigate the grant process

DCEO has created Video Training & Resources that cover several areas of the grant process, including applying for a grant, prequalification, capital grant budgets, understanding the grant agreement, and reporting, just to name a few.

Prime Sites Grant application forms are available through the program Business Attraction Prime Sites Notice of Funding Opportunity (NOFO). The NOFO sets forth the program requirements, intent, application procedures, and responsibilities.

To apply, a standard application package must be submitted through the Business Attraction Prime Sites Smartsheet linked on the program NOFO page. There is a maximum upload of 10 documents in the Smartsheet; therefore, combining documents pertaining to the actual form and naming them accordingly may be necessary.

Prior to submitting your application, make sure you are registered in the Grant Accountability and Transparency Act (GATA) Portal. The GATA Portal is an online platform that serves as a central hub for managing and overseeing state grants in Illinois. This is required for all entities that receive grant funds in the State. The GATA New User Guide is a step-by-step guide to assist you. When registering, the entity name and FEIN listed on your W-9 form must exactly match your IRS letter and the GATA Portal registration. Be sure to complete the Internal Control Questionnaire (ICQ) in the GATA system. The ICQ is a series of questions about your company's internal controls, including financial and programmatic reporting, and accounting policies. The ICQ needs to be completed each year in which you have an active grant with the state of Illinois.

The Office of Regional Economic Development - Region Specific Assistance (Team RED) is a one-stop resource for grants, tax credits, and other programs offered by DCEO in the state of Illinois. They have representatives assigned to every area of the state and will guide you through the process with personal one-on-one assistance. For grant-related questions or inquiries please email ceo.GrantHelp@illinois.gov , use this Help Desk Inquiry Form, or you can contact us at ceo.obd@illinois.gov.

Eligibility

Still in the Planning Stages

If your company is still in the process of applying for a qualifying tax credit program, or plans are still in the early discussion phase, do not apply for the Prime Sites Grant. Once you have approval from a qualifying tax credit program, then you can apply for the Prime Sites Grant.

Eligible projects may include new construction and renovation of industrial and commercial facilities, including associated infrastructure improvements and the purchase of durable equipment.

Applying for the Prime Sites Grant, but the qualifying tax credit program application is still pending

Upon receiving approval from the qualifying tax credit program, even if the agreement has not yet been finalized, applicants may proceed to apply for the Prime Sites Grant with confirmation from the program staff.

Qualifying Projects

Eligible projects must operate in one of the following industries of focus from the 2024 Illinois Economic Plan:

- Life Sciences
- Quantum Computing, AI, and Microelectronics
- Clean Energy Production and Manufacturing
- Advanced Manufacturing
- Next Generation Agriculture, Ag Tech, and Food Processing
- Transportation, Distribution, and Logistics

For questions regarding project eligibility, please contact Team RED.

Grant Fund Award Amounts

Grant fund award amounts are formula based and calculated by the number of jobs created and, in some instances, jobs retained at the project site, and it requires a capital investment minimum as indicated below:

- EDGE Tier 1 or HIB grant amounts equal to $5,000 per new job created and the company must commit to:
  - 40 new jobs and a minimum $40M investment; or,
  - 100 new jobs and a minimum $20M investment.
- EDGE Tier 2 grant amounts equal to $10,000 per new job committed and $5,000 per retained job, and the company must commit to:
  - 100 new jobs and a minimum $50M investment.
- REV or MICRO grant amounts:
  - REV or MICRO Tier 1, $5,000 per new job created.
  - REV or MICRO Tier 2, $10,000 per new job created, and $5,000 per retained job.
  - There is no minimum requirement for the number of new or retained jobs, nor investment commitment for approved REV and MICRO program participants.

All jobs must be located at the Prime Site project location(s). The formulas set the minimum award amount at $250,000; grants may not exceed $10,000,000 for EDGE, HIB, MICRO and REV Tier 1, and $25,000,000 for EDGE, REV and MICRO Tier 2 programs.

Application Documentation

W-9 and Obtaining a Letter from the IRS Verifying the EIN/FEIN

On the W-9 check the "LLC" box in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless the company is a disregarded entity. A disregarded entity should check the appropriate box for the tax classification of its owner/parent company and the GATA registration should also be completed under the owner/parent company.

Disregarded entities are not eligible to receive grant funds. 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.

If your company is a disregarded entity, it can still be included as a subrecipient of a State of Illinois grant as long as the Applicant/Grantee is a regarded entity.

The Department encourages companies to consult with their tax advisor and/or Chief Financial Officer prior to submitting the W-9.

Project Narrative Requirements

In the *Project Narrative 'detailed scope of work'*, provide a detailed list of the necessary steps required to complete the project with projected timeframes, the nature of ongoing operations at the site once the project is complete, projected goals of project completion, anticipated hiring dates, projected hiring completion date, any risks and proposed mitigations, and any other information necessary to convey the nature of the project and the capacity to execute it. If you are working with an engineer or project manager, they will often provide this information.

An example of a timeline:

- Land or building purchase – Estimated date (Month/Year)
- Construction Expansion 1st phase begins - Estimated date (Month/Year)
- Construction Expansion 1st phase completion - Estimated date (Month/Year)
- Construction Expansion 2nd phase begins - Estimated date (Month/Year)
- Construction Expansion 2nd phase completion - Estimated date (Month/Year)
- Facility fully operational - Estimated date (Month/Year)
- Begin hiring full-time employees – Estimated date (Month/Year)
  - Estimate the number of employees and projected hire date:
- Full-time employees hired complete - Projected DATE (Month/Year)

Budget Template

The Uniform Budget Template should include grant and match cost only; the complete project cost "Capital Expenditures" do not go on this form but should be detailed in the project narrative.

Helpful points to consider:

Complete and submit the entire Excel worksheet. Instructions located on the first tab of the Uniform Budget Template. Total state and non-state (match) within these budget line-item category tabs should total the ***exact*** grant and match amounts.

- **Sections A & B, and the Narrative Summary tab** (far right tab) will auto populate from what is entered on the individual category line-item tabs.
- **Section A** for state grant funds (auto-populates from the line-item categories)
- **Section B** for match funds (auto-populates from the line-item categories)
- **Narrative Summary Tab** expense details (auto-populate from the line-item category tabs, please provide specific details on cost)
- **ICI Indirect Cost Rate Information** bond funded grants cannot include ICI.
- **Certification** - two signatures needed for the certification page. Signatures must be from authorized signatories such as the CEO/Chief Elected Official and CFO/or Equivalent as noted on your Authorized Designee Form.
- State and non-state narrative sections need to be completed for any category utilizing grant and/or match funds.

Pre-Award Steps

Grant Application Process

All Prime Site grant applications go through an approval process that consist of a Merit Review, Legal and Accounting review, and DCEO Director review and approval. These steps can take several weeks.

Once approved:

- A Grant Manager will reach out to introduce themselves and schedule an "Onboarding" meeting.
- During your meeting, you will review required policies and procedures and the Grant Agreement requirements.
- Then you will receive an email with a Notice of State Award (NOSA).

After the NOSA is accepted, your Grant Manager will provide the Grant Agreement and Uniform Grant Budget for signature. Feel free to reach out to your Grant Manager if you have any questions or concerns. Your Grant Manager will be your primary source of contact moving forward and be your personal guide throughout your Prime Sites grant life cycle.

Grant Management

Grant Agreement

A Grant Agreement is the official agreement between the Department and company, the Grantee. The Prime Sites Grant Agreement will include program-specific requirements that can be found in the NOFO that was referenced during the application process. The Grant Agreement includes program goals, indicates the documentation necessary to substantiate the program goals, and details grant and match funds. Prime Site-specific details are in part one of the agreement as follows:

- **Exhibit A Project Description:** This is the "Scope of Work" for the grant. This information is the legislative intent of the Prime Site program and includes information that is in the approved grant application. This exhibit includes a comprehensive description of the core functions, activities, tasks, or products associated with the grant agreement.
- **Exhibit B Deliverables:** This exhibit will outline all services and goods to be created, developed, produced, delivered, performed, and/or provided throughout the term of the grant per the "Scope of Work". This exhibit will note the milestones, which are the important events that must occur at specific points throughout the term of the grant to effectively achieve the goals of the Grant Agreement.
- **Exhibit C Contact Information**: Contacts established for notifications from/to the company and the Departments Grant Administration.
- **Exhibit D Performance Measures and Standards:** Outlines the performance-related reporting requirements and describes what will be evaluated throughout the term of the agreement.
- **Exhibit E Specific Conditions**: Grantees must complete an Internal Control Questionnaire (ICQ), and the Grant Management staff will complete a Programmatic Risk Assessment (PRA). If the results of the se assessments identify any area of concern, a "specific condition" will be established to help the company address the issue and support the successful implementation of the program.
- **Article XXXVII, Grant Specific Terms and Conditions:** This covers a few Prime Site-specific areas, which include bond-funded general grant and external sign-offs provisions, funding, use of real property, and, if applicable, prevailing wage, Illinois Works, Business Enterprise, and Public Works Act programs.

Grantees are encouraged to thoroughly review the agreement and to reach out to the assigned Grant Manager with any questions.

Reporting

Reporting Requirements

All Grantees are required to report on the progress and financial status of their project. Generally, reporting is required quarterly.

One of the items that must be assessed through reports are expenditures to confirm they are consistent with the terms of the grant agreement. This includes expenditures that are allowable and properly allocated as described in your Grant Agreement and the detailed grant Budget, as well as match funds. The Periodic Financial Report (PFR) form is a standard, uniform statewide performance progress reporting format used to collect financial information from grantees. All Grantees receive a customized PFR from their Grant Manager. Also verified through the financial reporting will be procurement standards, prevailing wage (if applicable), conflict of interest, and sub-contractor cost (if applicable).

Programmatic milestones, deliverables, and program measures also require reporting to determine if the performance is progressing towards the goals of your Grant Agreement and if explanation of deviations is acceptable. The Periodic Performance Report (PPR) form is also a standard uniform statewide performance progress report used to collect performance information from grantees. Your Grant Manager will provide to you a customized PPR.

Audit

Audit Requirements

The State of Illinois is required to obtain and review an audit from all entities that receive State funds. The appropriate audit reporting package must be submitted through the Grantee Portal.

In addition, a Consolidated Year-End Financial Report (CYEFR) must also be completed. All grantees are required to complete and submit a CYEFR through the Illinois GATA Grantee Portal for each fiscal year your Grant Agreement covers.

Qualifying Tax Credit Program Reporting

Submissions for qualifying tax credit program reporting and grant reporting

DCEO's tax credit programs work collectively with the Prime Site grant program to verify job numbers and project capital expenditures.

You will submit your Agreed Upon Procedures Audit (AUP), as instructed, to your tax credit program and once your audit has been verified, they will share the AUP with the Prime Sites program.

In terms of the Prime Sites specific reporting, a Grantee reports to the Prime Site program their financial and performance reporting during their grant term. Additional specific details are listed above under "Reporting" on this FAQ.