

**Use of Cannabis Loan Funds**

Cannabis Loan Funds shall be used for ordinary and necessary expenses to start and operate a cannabis business. The below chart sets forth examples of allowable and non-allowable expenses. This list is for illustrative purposes only and is not exhaustive. All proposed uses of funds will be negotiated and memorialized in the loan agreement. All uses of the proceeds must be necessary for the Illinois business, supported by adequate proof of obligation and expenditure, and comply with all requirements of the loan program.

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| **Use of Cannabis Loan Funds** | | |
| **Examples of Allowable Uses** | | **Not Allowable** |
| * Rent | | * Food |
| * Non-Owner Payroll | | * Owner payments/salaries |
| * Purchase of equipment/materials/labor | | * Entertainment |
| * Purchase of inventory | | * Travel |
| * Regulatory compliance expenses | | * Expenses for facilities outside of Illinois |
| * Certain legal expenses | | * Payment of fines or penalties |
| * Employee training | | * Purchase/lease of vehicles |
| * Professional services (e.g., accountants) | | * Taxes |
| * Utilities | | * Distributions/Return on Capital |
| * Debt (may include personal debt incurred by owners to support the cannabis business establishment or pay necessary license renewal fees, not to exceed $75,000). | | * Legal expenses associated with litigation involving the State of Illinois relating to any regulatory or criminal matter Travel |
| Potentially Allowable with DCEO Approval (assessed on a case-by-case basis)\* | | |
| * Construction | * Build-out/Tenant Improvements | |

**Prevailing Wage Act\***

The Prevailing Wage Act governs the wages that must be paid to laborers, workers and mechanics who perform work on public works projects.  “Public works” means all fixed works constructed paid in whole or in part with public funds.  Examples of “public works projects” include, but are not limited to, construction, demolition, build-outs, and landscaping.  If cannabis loan funds are used to fund a public works project, then the Prevailing Wage Act applies.  For more information about the Prevailing Wage Act, please visit: [Prevailing Wage Act FAQ (illinois.gov)](https://labor.illinois.gov/faqs/prevailing-wage-faq.html).

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