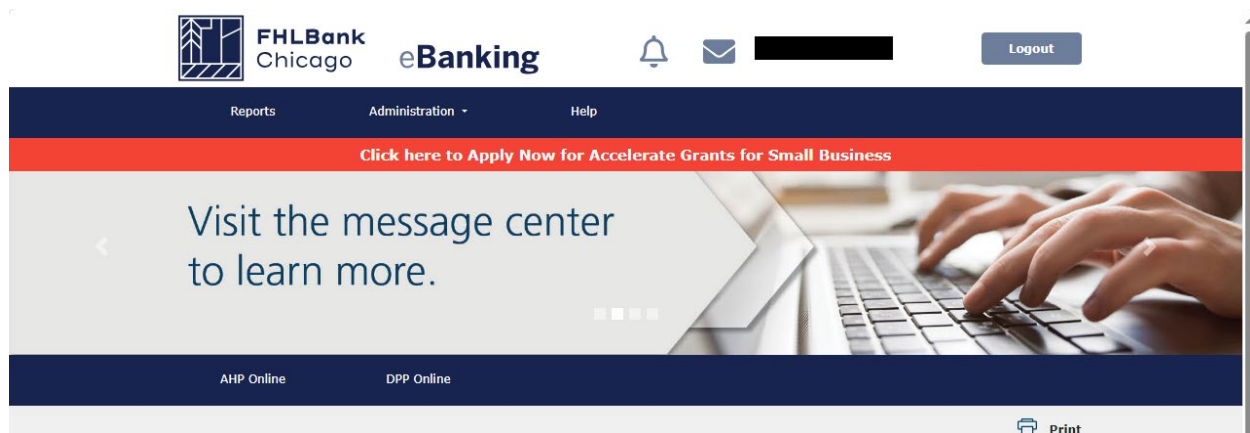


Application Process:

Where can I find the application?

- Please access the application through the red banner on the home page of the eBanking platform.



Where can I find instructions on how to complete the application?

- Please reference the Program Guidelines which can be found on the fhlbc.com Community Investment, Community First Accelerate Grants for Small Business [page](#).

Are there any members who cannot apply?

- A member's credit rating may impact their ability to be awarded a grant. Please contact your Sales Director if you have any concerns.

How many businesses can I nominate?

- Each member is allowed to apply for a grant of \$30,000 for one Small Business or divide the grant into two \$15,000 grants for two Small Businesses. **Grant funding is only available in one \$30,000 or two \$15,000 increments.**

Am I allowed to submit 1 application for \$10,000 and another application for \$20,000?

- No. Members will only be allowed to apply for a grant of \$30,000 for one Small Business or divide the grant into two equal grants of \$15,000 for two Small Businesses. **Grant funding is only available in one \$30,000 or two \$15,000 increments. If I am submitting two applications for two businesses to receive \$15,000, do I have to submit them at the same time?**

- You can submit the applications separately using the application portal on the eBanking platform. You do not need to submit both at the same time. After submitting your initial application, you may log in at any other time before the program closes to submit a second application.

How many Program Eligibility requirements does the Small Business need to meet?

- The Small Business is **required** to meet **ALL SIX** eligibility requirements to be eligible for the grant program. If all eligibility requirements are not met, FHLBank Chicago members should choose another Small Business that meets all requirements.

How many Program Priorities does the Small Business need to meet?

- The Small Business is **required** to meet at least **ONE** program priority to be eligible for the grant program. If the Small Business does not meet at least one program priority, FHLBank Chicago members should choose another Small Business that meets all requirements.

What qualifies as a Small Business course in the Program Priorities section?

- The following items qualify as a Small Business course: an online course that results in a certificate, a Small Business Administration course, or a class at a local college. FHLBank Chicago relies on the member's judgment to determine if the local college class or online course is Small Business related.

Is a member institution required to contribute at least 10% of an awarded grant amount to the Small Business?

- No. The member applicant providing a matching grant of at least 10% of grant application amount is listed as a program priority during the application process but is **not** a requirement of the program. It is one of many factors considered when awarding grants.

What is an example of the program priority, "Using funds to increase net worth?"

- Funds used to purchase capital items (such as a downpayment on a building) would increase net worth, however, funds used for rent would not. Purchasing capital items such as equipment or machinery qualifies.

What are examples of acceptable uses of grant funds? (Below chart is not comprehensive)

Purchase or Improvement of Property	Downpayment for a storefront, commercial buildings, upgrading to handicap accessible, exterior building improvements, and renovations.
Machinery, Tools, Equipment	Trucks, work vehicles, industrial restaurant equipment, tree trimming tools.
Inventory, Materials, Supplies	Office supplies, flowers for a flower shop, shoes for a shoe store, hair, or nail products for a salon, building materials for a contractor.
Workforce Development Training	Food safety training, conferences related to industry. (NOTE: Salaries are NOT eligible use of grant funds)
Technology	Computers, software, electronic POS system,

Can grant funds be used to purchase property that would act as a business and residence?

- No. Grant funds can only be used towards purchasing properties zoned as commercial or mixed-use. Funds CANNOT be used to support the purchase of a residential property, or property in which the grant recipient will call their primary residence.

What should I use for “year business was founded?” if I was not the original business owner?

- Please provide the year the business was originally established, even if under different ownership.

How do I determine if the small business is rural or urban?

- The Small Business Association (SBA) defines a rural area as either (a) a unit of general local government with a population of \$25,000 or less; (b) an unincorporated area outside a Metropolitan Statistical Area (MSA); or (c) an unincorporated area outside a MSA that qualifies for housing assistance from the United States Department of Agriculture.

How many applications can a member submit?

- In 2024, members can submit up to two applications on behalf of eligible Small Businesses. Submit **ONE** application for a **\$30,000.00** grant or **TWO** applications for two **\$15,000** grants. **Grant funding is only available in one \$30,000 or two \$15,000 increments.**

Are past program awardees able to apply?

- Award recipients from past years may not apply for another grant unless they have deployed all previously awarded funds, received disbursement, and completed all post-award impact reporting.

Who should complete the grant application and agreement?

- One member representative with access to eBanking will complete the application on behalf of the Small Business. That representative will choose an ELA contact (a contact authorized through eBanking to execute legal agreements) to sign the grant agreement. The ELA and Small Business will receive a copy of the application and a grant agreement to execute via DocuSign. The representative completing the application should notify the ELA and small business they will receive the documents via DocuSign.

Should members expect to receive a confirmation of their Community First® Accelerate Grants for Small Businesses application?

- All parties will receive an email confirming submission of the application. After documents have been executed through DocuSign, an additional DocuSign email receipt will be sent to the ELA and small business signer.

Awarded Members and Businesses:

How and when will members receive the disbursements for Community First® Accelerate Grants for Small Business, grants?

- **Disbursements will be processed on a rolling basis beginning mid-July 2024. Grant agreements must be signed prior to disbursement.**
- Members will receive the full awarded grant amount via deposit to their DID account. The member is responsible for disbursing funds to the awarded small business.

Should members expect to receive confirmation when grant funds are deposited in their DID account?

- Member contacts provided within the Community First® Accelerate Grants for Small Business application will receive an email notice when grant funds will be deposited within their DID account.

What is the timeframe grant funds may be used?

- Award recipients can incur expenses between June 3, 2024, and December 31, 2025. Award recipients may request disbursement after funds have been deposited into the member's DID account until December 31, 2025.

How do members and recipients certify and demonstrate that disbursed grant funds were used in an eligible way?

- Award recipients must fully use the disbursed funds for eligible purposes. Award recipients must retain and provide backup documentation to members as requested. They must also provide a description of the grant's impact and uses and certify to its accuracy via required reporting. Members will be responsible for reviewing back-up documentation per internal policies and will certify via the required reporting that awarded funds were used by the recipient in an eligible way.

What if the Small Business wants to change the use of funds after the agreement is made?

- A change in the use of funds is allowed, provided that the new use remains eligible within program guidelines and would achieve the intended impact. Contact Community Investment at ci@fhlbc.com to request changes.

What do we do if we have concerns about the use of funds by the Small Business?

- Cross-reference Annex A of the recipients executed grant agreement to verify eligible use of funds. Contact the Community Investment department via email at ci@fhlbc.com if there are any questions.

When do members need to deploy the grant funds to awarded Small Business Recipients?

- All funds must be disbursed during the grant period (defined in the grant agreement). Members may deploy the disbursed grant funds to the Small Business Recipients after receiving funds in their DID account.

What if the small business leaves the business relationship?

- All parties are still responsible for their obligations pursuant to the award, unless and until they are transferred to another party upon written approval of FHLBank Chicago's Community Investment department.

What if the Small Business is sold *after* grant funds are disbursed?

- The new business will assume the responsibilities of the original recipient, as it relates to the awarded grant. The funds can be transferred to another party upon written approval of FHLBank Chicago's Community Investment department.

What if the Small Business is sold *before* grant funds are disbursed?

- The new business will assume the responsibilities of the original recipient, as it relates to the awarded grant, provided the new owner and the intended uses are still eligible. If they are not, the grant will be canceled, and awarded funds will be de-obligated.

Post Award Process:

Who is required to sign the grant agreement?

- A member ELA in eBanking, a Small Business contact, and the FHLBank Chicago Community Investment Group Head.

What are the best ways to hold funds on behalf of the borrower, between the time when funds have been received and disbursed to the grant recipient?

- The FHLBank Chicago cannot advise on best practices, these are choices that should be discussed internally with your financial institutions.

What is required for Impact Reporting?

- The Impact Reporting form will be provided via the eBanking system. The system will send notification 30 days prior to the due date.

Are these funds taxable?

- Grant funds may be taxable, but FHLBank Chicago will not be providing a 1099 form. FHLBank Chicago cannot advise on best practices, please consult your tax professional.