

**Frequently Asked Questions about  
FHLBank Chicago's  
Targeted Impact Fund  
Available August 17 – November 10, 2020**

Table of Contents

Overview ..... 3  
Beneficiaries..... 4  
Application..... 8  
Funding ..... 10  
Miscellaneous ..... 11

## Overview

### 1. What is the Targeted Impact Fund?

As the COVID-19 pandemic and its economic impact continue to ravage communities across our District, some populations have been disproportionately affected by this crisis, including Black, Latino, Native American, elderly, rural, and low- and moderate-income communities. In response to their needs and the related interest many members have expressed in addressing racial equity disparities in their cities and towns, FHLBank Chicago is announcing the creation of the Targeted Impact Fund.

The Targeted Impact Fund is a \$14 million grant program designed to: 1) assist members in supporting relief for communities hardest hit by COVID-19, and/or 2) support members in addressing racial equity disparities in their communities.

### 2. How does the Targeted Impact Fund work?

- Members apply for a grant through the Targeted Impact Fund on behalf of their selected beneficiaries. Beneficiaries must be identified at the time of application.
- The base grant amount of up to \$15,000 is available to all members and associate member institutions.
- Members are encouraged to match-fund some or all of their base grant amount (i.e., contribute their own additional funds to beneficiaries), although this is not a program requirement. Members may receive up to \$5,000 in additional grant dollars if they match-fund.
  - Members that match \$5,000 of their base grant will receive an additional \$1,000 of grant funds
    - \$15,000 base grant + \$5,000 member match + \$1,000 bonus = \$21,000 total proceeds for beneficiaries
  - Members that match \$10,000 of their base grant will receive an additional \$3,000 of grant funds
    - \$15,000 base grant + \$10,000 member match + \$3,000 bonus = \$28,000 total proceeds for beneficiaries
  - Members that match the full \$15,000 of their base grant will receive an additional \$5,000 of grant funds
    - \$15,000 base grant + \$15,000 member match + \$5,000 bonus = \$35,000 total proceeds for beneficiaries
- Match-funding is not a requirement for participation in the program.

### 3. Are all FHLBank Chicago members eligible to participate in the Targeted Impact Fund?

Yes. All FHLBank Chicago members and associate members are eligible to participate in the Targeted Impact Fund.

**4. Can the \$14 million allocated for the Targeted Impact Fund meet the demand of all members and associate members?**

Yes. FHLBank Chicago has budgeted sufficient funds for all members to participate in the program.

**5. Is the Targeted Impact Fund first come, first served?**

The amount of funds allocated for the Targeted Impact Fund allows all members and associate members to participate in the program and receive funds. Applications are processed in the order they are submitted.

**6. Is there a member limit?**

A member can receive a maximum grant amount of up to \$20,000; the base grant amount is up to \$15,000, with up to \$5,000 additional grant dollars available if the member matches some or all of the base grant. If a member matches the entire \$15,000 base grant, they will receive an additional \$5,000 of grant funds (i.e., \$20,000 total). If the member matches \$10,000 of the base grant, they will receive an additional \$3,000 of grant funds (i.e., \$18,000 total). If a member matches \$5,000 of the base grant, they will receive an additional \$1,000 of grant funds (i.e., \$16,000 total).

**7. How is the Targeted Impact Fund different from the COVID-19 Relief Program Grant?**

There are several key differences between the two programs. Key parameters for the Targeted Impact Fund include:

- Grant dollars must support beneficiaries in targeted categories aligned with the following objectives: 1) provide relief for communities hardest hit by COVID-19 and/or 2) provide support to address racial equity disparities in our District
- Incentives are included to maximize program impact
- \$5,000 minimum contribution to each grant beneficiary
- Six funding dates throughout the program as opposed to a weekly funding cycle (See “Funding” below)

## Beneficiaries

**8. Is there a minimum grant amount per beneficiary?**

There is a minimum contribution of \$5,000 per beneficiary. For members providing match-funding, this \$5,000 contribution may include both FHLBank Chicago grant dollars as well as member match dollars.

### 9. How many beneficiaries can a member support through the Targeted Impact Fund?

To determine how many beneficiaries a member may support, we consider the member's total proceeds (inclusive of their base grant amount, any member match they are providing, and the related match bonus) in light of the \$5,000 minimum contribution per beneficiary. We divide this total contribution by the minimum per-beneficiary contribution of \$5,000 to determine the maximum number of beneficiaries a member may support.

For example, if a member utilizes the \$15,000 base grant, commits to provide an additional \$15,000 in match-funding, and receives the \$5,000 match bonus, this \$35,000 total contribution could support up to seven beneficiaries at \$5,000 per beneficiary. Alternatively, if a member utilizes the \$15,000 base grant with no match or associated bonus, this \$15,000 total contribution could support up to three beneficiaries at \$5,000 per beneficiary.

### 10. What types of organizations are eligible beneficiaries of the Targeted Impact Fund?

FHLBank Chicago has identified four categories as a framework by which members may select their beneficiaries. Beneficiaries must align with at least one of the categories below. Beneficiaries can satisfy more than one category.

#### A. Minority and Women Business Enterprise (MBE and WBE) Development and/or Rebuilding – Support for MBE and WBE small businesses to develop, grow, and/or rebuild.<sup>1</sup>

- Eligible beneficiaries include, but are not limited to: restaurants, retail, and professional services with over 50% minority or female ownership.

#### B. Advancement of Black and Latino Communities – Support for organizations that promote a more fair and inclusive society for Black and Latino communities. Organizations may provide services supporting career development/job training, education, recreation, childcare, healthcare/wellness, etc. for populations that include Black and Latino beneficiaries, or otherwise serve a mission of promoting equity and racial justice.

- Eligible beneficiaries include, but are not limited to: Boys and Girls Club, YMCA, Maydm, Nehemiah Center for Urban

---

<sup>1</sup> A business is classified as an MBE or WBE if over 50% of its ownership is of minority ethnicity or female, respectively. Minority ethnicities include American Native or Alaskan Native, Asian, Black or Black, Hispanic or Latino, and Native Hawaiian or Other Pacific Islander.

Leadership Development, Urban League, NAACP, and My Block, My Hood, My City.

**C. Community Empowerment Services for Populations Hardest-Hit by COVID-19** – Support for social services that benefit populations hardest hit by COVID-19, including but not limited to Black, Latino, Native American, elderly, and rural communities.

- Eligible beneficiaries include, but are not limited to: Community centers, senior centers, food pantries, Meals on Wheels, and Salvation Army.

**D. Affordable Housing Sustainability** – Support for entities providing and/or promoting affordable housing for vulnerable populations. Such entities include programs that provide rental assistance to low- to moderate-income households, housing counseling agencies, homeless services organizations, fair housing agencies, and affordable housing projects in need of operating support.

- Eligible beneficiaries include, but are not limited to: Housing authorities, Habitat for Humanity affiliates, and homeless shelters.

**11. Would a community group that engages in political activity be eligible to receive a grant?**

Nonprofit entities, including 501(c)(3) and 501(c)(4) organizations, are eligible to receive Targeted Impact Funds because such entities are prohibited under the IRS Code from directly or indirectly intervening in political campaigns on behalf of (or in opposition to) any candidate for elective public office.

On the other hand, any organization that directly or indirectly participates in, or intervenes in, any political campaign on behalf of (or in opposition to) any candidate for elective public office would not be eligible to receive funds from the Targeted Impact Fund. This prohibition includes making contributions to political campaign funds, public statements of support or opposition (verbal or written) made by or on behalf of an organization, and distributing materials prepared by others that support or oppose any candidate for public office. Thus, a political group subject to Section 527 of the IRS Code that are organized primarily to engage in partisan political activities or expenditures would not be an eligible entity.

**12. Are there any additional limits on beneficiaries?**

Yes. Beneficiaries must be located in Illinois or Wisconsin. Beneficiaries cannot be member institutions or entities related to member institutions (i.e.,

foundations, nonprofit affiliates, etc.).

**13. Can a member provide funds to a beneficiary they previously supported with a COVID-19 Relief Program Grant?**

Yes. Members may choose to support beneficiaries that have received support through other FHLBank Chicago programs, including the COVID-19 Relief Program earlier this year.

**14. Can a single beneficiary meet the criteria for one or more categories?**

Yes. A single beneficiary may meet the criteria of multiple categories. For example, an organization that provides homeownership counseling to a primarily Latino population could be categorized under Advancement of Black and Latino Communities; Community Empowerment Services for Populations Hardest Hit by COVID-19; and Affordable Housing Sustainability. The application provides an opportunity to indicate all categories that apply.

**15. What is the difference between the Advancement of Black and Latino Communities and Community Empowerment Services for Populations Hardest-Hit by COVID-19 beneficiary categories?**

The Advancement of Black and Latino Communities beneficiary category is intended to address racial equity disparities in communities throughout the district by providing direct support to Black and Latino persons. The Community Empowerment Services for Populations Hardest-Hit by COVID-19 is a broader category that includes social service organizations supporting many populations hardest hit by COVID-19, including, but not limited to, Black, Latino, Native American, elderly, and rural communities. Some beneficiaries may align with both of these categories.

**16. What is “community empowerment” and what types of organizations align with the Community Empowerment Services for Populations Hardest-Hit by COVID-19 beneficiary category?**

Community empowerment refers to the process of enabling communities to improve economic outcomes, increase assets, strengthen networks of support, and amplify voices of community members. Social services that support community empowerment facilitate these objectives by promoting engagement and economic self-sufficiency. Beneficiaries that align with this category must offer community empowerment services to populations hardest hit by COVID-19, including, but not limited to, Black, Latino, Native American, elderly, or rural communities. Examples of community empowerment services include:

- Employment services (i.e., employment/career counseling, job training and/or placement)

- Education (e.g., English as a Second Language (ESL), General Educational Development (GED), High School Equivalent Diploma (HSED), financial literacy, computer classes)
- Youth development and leadership programs including activities and experiences that help youth develop social, emotional, physical, and cognitive competencies (e.g., Boys and Girls Clubs, mentoring programs, volunteer opportunities)
- Food support programs (e.g., food banks, Meals on Wheels)
- Programming to increase community engagement (e.g. senior centers, cultural organizations)
- Healthcare organizations that serve populations hardest hit by COVID-19

**17. If an application includes more than one beneficiary, do the beneficiaries need to be within the same category?**

No. Applications may include beneficiaries across all the different categories. For example, a member may decide to grant a portion of their total contribution to a beneficiary meeting the criteria of one category and the remainder of their contribution to a beneficiary meeting the criteria of two different categories.

## Application

**18. What is the application process?**

Members applying must complete and submit one Targeted Impact Fund grant request; the application must reflect all selected beneficiaries. The application should be submitted to [ReliefGrant@fhlbc.com](mailto:ReliefGrant@fhlbc.com).

**19. Over what time period will Targeted Impact Fund applications be accepted?**

Applications for the Targeted Impact Fund will be accepted between Monday, August 17, 2020 and Tuesday, November 10, 2020 3:00 p.m. CST. We have extended the deadline for the Targeted Impact Fund through Tuesday, November 10, 2020, to provide our members with the maximum amount of time to provide relief grants to beneficiaries. We encourage members to allow sufficient time for internal approvals prior to the November 10 deadline.

**20. Where can I find the Targeted Impact Fund application?**

The Targeted Impact Fund application can be found on the [COVID-19 Resource Center](#).

**21. How do I download the application?**

The Targeted Impact Fund application can be found on the [COVID-19 Resource Center](#). The application is located within the drop-down labeled, “Targeted Impact Fund Application.” Click on the link to download the application, which will bring you to a new browser page featuring the application form. In the upper right hand corner, click on the “Download” icon and save the file to your desktop.



Once the application has finished downloading, open your desktop files and locate the application you just downloaded. The application should open in Adobe. Then you may fill out the necessary fields and click on the button at the bottom of the form to return the completed form to FHLBank Chicago.

- a. **What if I do not have Adobe or my firewall system prevents me from downloading PDFs?** Click on the link to download the application, then print out the application. Complete the application with all of the necessary information and either scan or take a photo of the completed form. Attach the scanned or the photo of the completed document and email it back to [ReliefGrant@fhlbc.com](mailto:ReliefGrant@fhlbc.com).

## **22. Who should complete the application on behalf of the member institution?**

A duly authorized officer with the full authority to make the certifications required should complete and submit the application. FHLBank Chicago encourages you to coordinate the grant needs and determine who should submit the application on behalf of your institution.

## **23. Where do I locate my Member Number to include on the application?**

You may locate your five-digit Member Number by accessing our [eBanking system](#); your name and Member Number appears on the upper right part of the eBanking screen pages. If you have any issues finding your Member Number, please contact your Sales Director.

## **24. Are members required to identify beneficiaries before submitting the application?**

Yes. Members must identify all of their beneficiaries before submitting a Targeted Impact Fund application. Identifying beneficiaries at the point of application is a requirement for the Targeted Impact Fund; this is a difference from the COVID-19 Relief Program application process. Only applications with full beneficiary information will be accepted and processed for funding. Members should include all beneficiaries supported through the FHLBank Chicago grant and through the member's match contribution. Beneficiaries supported by member match funding must align with all Targeted Impact Fund program criteria. For example, if a member matches the entire \$15,000 grant, they will receive an additional \$5,000 of grant funds (i.e., \$20,000 total). The \$20,000 grant plus their \$15,000 match results in \$35,000 total proceeds for beneficiaries. In this example, the member should include beneficiaries funded through the \$20,000 FHLBank Chicago grant dollars and the \$15,000 member match dollars; these beneficiaries must all align with at least one eligible beneficiary category, and the minimum contribution to any beneficiary is \$5,000.

## **25. What is FHLBank Chicago doing with the data and beneficiary information?**

FHLBank Chicago is collecting data on the beneficiaries to ensure organizations selected align with the program parameters. FHLBank Chicago will not publish

beneficiary names or information without consent from the member.

**26. Is there any supporting documentation required?**

The member does not have to provide supporting documentation to evidence their beneficiaries or their match-funding commitment or contribution; however, the member does need to provide the required beneficiary information when they submit their application. Only complete applications will be accepted and processed for funding.

**27. Should members expect to receive a confirmation of their Targeted Impact Fund application?**

Members can expect to receive confirmation via email that their application has been received.

## Funding

**28. How and when will members receive their Targeted Impact Fund grants?**

There will be six funding dates: September 4, September 18, October 2, October 16, October 30, and November 13. To be funded on one of these dates, members must submit a Targeted Impact Fund application by 3:00 p.m. CST on the Wednesday before the funding date with the exception of the last funding period. To receive funding on November 13, applications must be submitted by 3:00 p.m. CST on Tuesday, November 10. Grant funds will be credited to the members' FHLBank Chicago DID account.

- Applications received between August 17 and September 2 by 3:00 p.m. will be funded on September 4.
- Applications received between September 3 and September 16 by 3:00 p.m. will be funded on September 18.
- Applications received between September 17 and September 30 by 3:00 p.m. will be funded on October 2.
- Applications received between October 1 and October 14 by 3:00 p.m. will be funded on October 16.
- Applications received between October 15 and October 28 by 3:00 p.m. will be funded on October 30.
- Applications received between October 29 and November 10 by 3:00 p.m. will be funded on November 13.

While FHLBank Chicago has allocated enough funds for all member and associate member institutions to participate in the Targeted Impact Fund, FHLBank Chicago may be limited in how many grant requests can be processed within a single funding period, and may roll requests forward to the subsequent funding period depending on member demand.

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

Yes. Members can expect to receive a funding confirmation email the day grant funds are deposited in their DID account.

**30. Who is responsible for funding the beneficiaries?**

Each FHLBank Chicago member is responsible for funding their selected beneficiaries. FHLBank Chicago will not fund beneficiaries.

**31. Do members need to fund their beneficiaries prior to submitting an application for the Targeted Impact Fund?**

No, members may fund their beneficiaries before or after submitting the Targeted Impact Fund application. FHLBank Chicago does not require evidence of payment to the beneficiary.

**32. When do members need to deploy the grant funds to beneficiaries?**

Ideally, members deploy funds within 30 days of receipt, but FHLBank Chicago understands that a different timeline may better meet the needs members are addressing in their communities.

## Miscellaneous

**33. Does the Targeted Impact Fund include compliance requirements for the member or beneficiaries?**

No, there are no compliance requirements associated with the Targeted Impact Fund; however, members must provide beneficiary information to FHLBank Chicago at the time of application.

**34. Will FHLBank Chicago provide a 1099 form to beneficiaries?**

No, FHLBank Chicago will not provide a 1099 form to grant recipients. Beneficiaries are responsible for determining the tax implications of receiving a Targeted Impact Fund grant.

**35. My FHLBank Chicago member institution is in the process of a merger or acquisition. Am I able to participate in the Targeted Impact Fund? What about the other institution?**

Yes, as long as the grant funds are received before the merger. The other institution, whether it is the surviving institution or not, can also request funds as long as they are also a member of FHLBank Chicago and their funds are received before the merger.

**36. Who do I contact with questions?**

Questions can be directed to [ReliefGrant@fhlbc.com](mailto:ReliefGrant@fhlbc.com).