**Section 650.30 Loan and Financial Assistance Program Application Documentation**

Receipt of an application to the Program does not commit the Department to award a loan or line of credit or to pay any costs incurred by a Business Applicant in preparation of an application. Written applications will be required and must be submitted on the standard application form provided by the Department.

a) Applications shall be submitted to the Department office location identified on the application. The application for loans and lines of credit will include:

1) Social Equity Applicant Status Information

A) DFPR or DOA Certification shall be provided. Certification means any letter or other written documentation from DFPR or DOA verifying the applicant's status as a Social Equity Applicant or a Qualified Social Equity Applicant for a license issued by that agency. This verification may be provided at any time prior to entering into the loan or line of credit agreement.

B) The Business Applicant shall provide:

i) Proof of the Business Applicant's Illinois Residency. The proof must consist of at least two residency records. Residency will be verified at the time of application to the Program and certified by the borrower at closing. The Department may require more than two residency records to confirm eligibility.

ii) Owner Information. If the Business Applicant's eligibility is based on the majority of its owners having resided in a Disproportionately Impacted Area, the Business Applicant shall provide, for each owner who is relevant to the eligibility determination, the following:

• at least two residency records that establish residency in a Disproportionately Impacted Area for 5 of the 10 years preceding the application; and

• organizational and ownership records requested by the Department.

iii) Eligibility Documentation. If the Business Applicant's eligibility is based on the majority of its owners having been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the CI Act or being a member of an impacted family, the Business Applicant shall provide, for each owner who is relevant to the eligibility determination, a record of the arrest, conviction or adjudication from the responsible legal authority. If an owner is a member of an impacted family, the Business Applicant may be required to provide proof (e.g., copies of birth certificates or other records) of the owner's relation to the individual who was arrested for, convicted of, or adjudicated delinquent for such an offense.

iv) Employee Information. If the Business Applicant has at least 10 full-time employees at the time of its application,it may be considered a Social Equity Applicant if at least 51% of its full-time employees reside in a Disproportionately Impacted Area or have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under the CI Act or a member of an impacted family. A Business Applicant eligible under this criterion shall provide, for each relevant employee:

• a W-2 issued to the employee by the Business Applicant and the two most recent pay stubs if the employee was first employed by the Business Applicant prior to January 1, 2019. If an employee was first employed by the Business Applicant after January 1, 2019, then the Business Applicant may provide a copy of the W-4 and the two most recent pay stubs. "Most recent" means the two regular pay periods most proximate to the date the application is submitted to the Department. In lieu of W-4s, a Business Applicant may submit copies of the New Hire Reporting Form that it submitted to the Illinois Department of Employment Security for that employee;

• the Business Applicant's most recent payroll run; and

• the residency records for the employee or the arrest, conviction or adjudication records. If the employee is a member of an impacted family, the Business Applicant shall also provide proof of the employee's relation to the individual who was arrested for, convicted of, or adjudicated delinquent for an offense eligible for expungement under the CI Act.

v) Impact of Cannabis-Related Laws. The Business Applicant shall provide a brief narrative of how the Business Applicant, its owners, or its employees were directly and adversely impacted by the enforcement of cannabis-related laws and any supporting documents (e.g., criminal history or case records, affidavits of impacted individuals, public records and news articles; evidence of business or employment opportunities being denied because of criminal history, etc.).

vi) Maintenance of Status. A statement that a Business Applicant approved for a conditional commitment letter will maintain its status as a Social Equity Applicant.

2) Company Information

A) History of the Company. A brief history of the Business Applicant and the employee headcount in each year the business has been in operation (limited to the past five years). If the Business Applicant has been in operation for less than one year, only the current headcount is required.

B) Market Information/Business Plan. To the extent available, information on the Business Applicant's intended products or services and identification of existing and potential major customers and competitors. A Business Applicant may substitute a general business plan for a market analysis.

C) Project Summary. A description of what the Business Applicant intends to do if it receives a license under the Act and funding under the Program, including the type of license the Business Applicant is seeking under the Act and when it was applied for or when the Business Applicant plans to apply for it.

D) Need for Funds. A statement and any supporting justification of a need for support under the Program. The request shall also identify the amount of financial support it seeks from the Department. The request shall also detail how funds borrowed from the Department could be secured and repaid (including the anticipated timing for use and repayment of the funds), and how the Business Applicant intends to use any borrowed funds. The Business Applicant should also indicate whether it would prefer a term loan or access to a line of credit under the Program and demonstrate why such an arrangement would be beneficial.

E) Financial Information. If the Business Applicant has been operating for more than six months, it shall provide historic financial statements for each of the past three years (to the extent it was operating), if the Business Applicant is not a new plant start-up or new business opportunity (i.e., has not been in operation for more than six months), and interim statements dated no more than 90 days prior to application that include:

i) profit and loss (income) statements;

ii) balance sheets; and

iii) disclosure of contingent liabilities (if applicable).

F) Five-Year Projections. Five-year projections of the profit and loss statement and a breakdown of projected expenses and monthly cash flow over a five-year period.

G) Site Map (if known). An outline of the general location of the project on a site map, including the location of any floodplain areas. If the site is not known at the time of application, potential sites may be submitted.

H) Description of Machinery and Equipment (if applicable). Major equipment or classes of equipment to be acquired with the Department's Program funds identified; for acquisition of new machinery and equipment, attachments of reliable vendor cost estimates; for moving and installation costs, attachments of written estimates; and for used machinery and equipment acquisition, an appraisal demonstrating that the fair market value is in line with the purchase price, and a specific description of the equipment, including serial numbers if available.

I) Company Management. A listing of those individuals who are responsible for the management of the company, their positions and responsibilities, and resumes of key senior individuals (e.g., owner, partner, president, vice president, treasurer) at the company location. Also include information about any long-term management or operational support from investors, incubators, or community-based organizations (or other sources of external support).

J) Organizational and Ownership Records. As to the extent the Business Applicant did not provide organizational and ownership records as part of application, the Business Applicant shall provide organizational and ownership records sufficient to explain the legal structure of the Business Applicant's business and to identify all owners and persons having a beneficial interest in the applicant and its business.

K) Letters of Commitment (if any). Commitment letters documenting all sources of funding. Loans from investors or lenders must have language indicating the investment or loan amount, the specified term and interest, collateral, conditions attendant to the investment or loan, and whether the investment or loan is approved or contingent.

L) Any additional records or information to verify eligibility.

b) The Department may, at its discretion, accept documentation in place of records listed in subsection (a)(1) when the record has been destroyed, lost, or is otherwise unavailable in the time needed to apply to the Program and for licensure under the Act.

c) Should any information change between the time of application submission and the time the Department and the Business Applicant enter into an Agreement, the Business Applicant shall notify the Department of any change.