

Resolution No. _____
Exhibit A

City of Lake Forest, Illinois
2020 Local Business Grant Program
Approved April 20, 2020

PURPOSE:

The purpose of the City of Lake Forest 2020 Local Business Grant Program is to support recovery of the local business community from impacts of the COVID-19 pandemic and Governor Pritzker disaster proclamation.

ELIGIBILITY:

To be eligible under this Grant Program, the local business must meet all of the following requirements:

- The local business must be operating within the borders of the City of Lake Forest, Illinois and reporting sales tax to the Illinois Department of Revenue for the Lake Forest Location Code.
- The business must have no more than four (4) operating locations (Chains are excluded).
- A franchisee of a national chain is eligible only if the franchisee operates no more than four (4) operating locations.
- Only taxable sales generated and reported to the Lake Forest Location Code are eligible for the grant (reported on ST-1 or ST-2).
- The Lake Forest business location must be operating as of March 21, 2020 (temporary closure due to Governor's order is excluded).
- Private clubs are specifically excluded.

GRANT AMOUNT:

- The maximum grant will be calculated as .25% of sales tax generated on calendar year 2019 sales in Lake Forest, but will be capped at \$12,500 (\$5 million in taxable 2019 sales).
- The grant amount is intended to represent ¼ of the Municipal Sales Tax generated on calendar year 2019 sales. Home Rule Sales Tax is excluded and will not be considered in the calculation of the grant amount.
- If a Lake Forest local business is otherwise eligible for the program but opened for business after January 1, 2019, the maximum grant will be calculated based on the previous formula or \$5,000, whichever is greater.
- The grant amount established is the maximum amount to be received and is **not guaranteed**. Actual grant payments will be made based on actual taxable sales generated for March 2020 through December 2020.

PROCEDURES:

Step 1: Application

- Grant applicant must submit a completed application form, W-9, and copies of ST-1 or ST-2 forms filed for all months of calendar year 2019.

Step 2: Review and Award Letter

- The City Finance Department will review application and related materials and if awarded a grant, the City will issue a Grant Award Letter advising of the 2020 Grant Amount for which the applicant may be eligible.

Step 3: Grantee Submittals for Payment

- Once issued the Grant Award Letter, the local business may submit requests for payment on a monthly or less frequent basis
- The Grantee may not submit for a City grant payment until sales tax payment has been made to Illinois Department of Revenue (IDOR).
- Payments will be issued upon receipt of a Grant Request Form, accompanied by the ST-1 or ST-2 form for each month of sales beginning with March 2020 through December 2020. Proof of payment to the IDOR is required.
- Grant payment will be .50% on taxable sales generated for the applicable month reported for the Lake Forest Location Code.
- The City will accept Grant Request Forms **through January 31, 2021, at which time the program shall cease.**
- If a grantee submits sales on a quarterly basis, the grant payment for March 2020 will be based on no more than 1/3 of the first quarter 2020 taxable sales in Lake Forest.

ADDITIONAL NOTES:

- Grant amount is subject to 1099-G reporting based on Internal Revenue Service (IRS) requirements (currently \$600 or greater in a calendar year)
- **Program applicants should note that based on the formula used for payment, proprietary sales information may be released or otherwise determined by the public.**