

# How Public Funding Works in Illinois

Whether you are an individual artist, have an arts nonprofit, or own a creative business, there are public funding opportunities out there for you - more than just grants! There are loan programs, tax credits, contracts, and more. Read more to get a high-level understanding about the kinds of public funding opportunities that exist in Illinois - and come to the Help Desk to get assistance with accessing them or with any other questions you have!

## What is Public Funding?

When we say “public funding opportunities,” these are essentially any programs that are funded in some way through state taxpayer dollars or federal pass-through funding. That funding can be made available in various ways, including:

- direct funding, like grants;
- lower-interest borrowing programs; and
- discounts on expenses, like tax credits.

They can also be earned income opportunities, through contracting directly with a government agency or becoming a subcontractor to a contracting entity. And there are a few programs that are public/private partnerships between state agencies and foundations.

*This resource guide is focused on state-level public funding. If you are looking for information on resources exclusive to Chicago, Cook County, or other Illinois metro areas, come to the Help Desk and we'll connect you!*

## Grants

What often comes to mind as public funding are grants - funds that are made available that you can then use and do not have to repay. This is 99.9% the case with private grants - the only requirement is often submitting reports to the funder, to share how the funds were used.

Public grants can also work this way, where the funds are made available for you to then spend. But there are sometimes key differences from private grants:

- Grant cycles and deadlines vary by programs - study each program and note their start and end cycle. Deadlines are typically very strict and non-negotiable.
- Reporting requirements for public grants often require more details - and more frequent reporting - than private-sector grants.

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- Funds may be made available on a reimbursement basis - you spend the money, submit paperwork to the funding agency, and after approval you get the funding to repay yourself. *Check this before you apply for an opportunity!*

When talking about state-level grants for the arts, there are grants from the **Illinois Arts Council (IAC)** and grants from **all other state agencies**. IAC is separated out because it is specifically for the arts sector and uses a different application process than all other state agencies.

## Illinois Arts Council

The [Illinois Arts Council](#) provides grants to [artists](#), [arts educators](#), [arts organizations](#), and [communities](#). IAC does not provide grants to for-profit entities. These are direct grants - not reimbursement grants.

- To apply for an IAC grant, you need an account in their [grant portal](#). To get started, click "Not a Member" and set up your account.
- To get help from IAC staff, you can find contact information for your regional director through the [Grant Staff Locator](#).
- Before you apply, if you are a nonprofit, make sure you have filed your [Annual Report](#) and your nonprofit is in [Good Standing](#) with the Illinois Secretary of State's office.
- If you are an individual, make sure you aren't on the Illinois Stop Payment List - get rid of any state debt before you apply.

## Other State Agencies

There are also grants available from other state agencies, like the [Department of Commerce and Economic Opportunity](#), [Human Services](#), and [Public Health](#), for example. These agencies have funding that may include arts and culture, but are not exclusive to the sector like IAC. They fund programs that can include arts and culture-related activities.

To find out what's available, the [Illinois Catalog of State Financial Assistance](#) is the main source for grant programs, which is updated weekly. You can browse [current funding opportunities](#), which lists all opportunities from all agencies. You can also look at all [active grant programs by agency](#) - this can be helpful if you are not sure of the opportunity name, but you know that a certain agency runs the program.

- Be sure and look at the **Active Opportunities** column - only programs that are funded and actively accepting applications will have a number here greater than zero.

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To apply for state agency grant programs outside of IAC, you have to use a different application process. Here are the main documents you should be familiar with:

- **NOFO:** For opportunities that are open, the agency publishes a Notice of Funding Opportunity (NOFO). This document has all the details on the opportunity, including eligibility, application process, and grant terms. *Be sure to read this carefully, to make sure you understand all the requirements before you apply!*
- **Uniform Application and Uniform Budget:** Most if not all state opportunities require that you fill out and submit a Uniform Budget and Uniform Application as part of the application process. *Download these and go through them to make sure you understand what you need to fill out. To fill out the Uniform Application, you need to have your budget totals, so work on the Uniform Budget first!*

If you have found an opportunity that you're interested in applying for, before you actually apply, you have to be registered in the [GATA \(Grant Accountability and Transparency Act\) portal](#). When making your account, you will input information into the portal that the granting agency will then verify, including:

- A valid federal [taxpayer ID number](#)
- A current [SAM.gov](#) registration - this is the federal System for Award Management, which many Illinois state agencies use to further verify eligibility.
  - Here's a handy [entity registration checklist](#) that takes you through each step of the [SAM.gov](#) registration process.
  - And here's a [YouTube video](#) that walks you through the steps.
- A valid Unique Entity ID (UEI), which will be a combination of letters and numbers. This is generated as part of your [SAM.gov](#) registration.
  - Register in GATA before you apply - the verification process can take a while - sometimes as much as **two to three weeks** - so do this step before you have a ticking application deadline adding more pressure!

You also need to make sure that you are NOT on any of these lists:

- Federal Excluded Parties List, which you can verify at [SAM.gov](#)
- Illinois Stop Payment list, which is verified after you have registered in the GATA portal
- Illinois Department of Healthcare and Family Services Provider [Sanctions list](#)

And, similar to IAC, you need to make sure you are in [Good Standing with the Illinois Secretary of State](#) - this applies to businesses and nonprofit organizations.

To tap into non-IAC grant opportunities:

- ★ Think creatively about what you do - if you provide arts programming for at-risk youth, for example, you may be eligible for Human Services program funding.



- ★ Develop relationships with program managers - get to know the staff who run the program and share your work, to see if there are programs that are a good fit.
- ★ Get expert assistance - reach out to Arts Alliance's Help Desk to get focused support for your application or funding needs.

## Loans and Capital Improvement Funds

Grant programs are often limited in what you can use the funding for – or you have to wait for the funds to be issued (delays can be common with government grants). Sometimes you need funding more quickly, or for other needs like capital improvements, which are not always included as eligible uses for the grant funding.

### Loans

To access funding more quickly, one option is to borrow money—but this can be difficult if you are looking for a smaller loan (which is often considered to be less than \$100,000) or if you don't have the credit history or status that typical lenders require.

[Advantage Illinois](#) is a state program that helps to reduce a lender's risk when making a loan. You do not apply to Advantage Illinois—this is a program that banks and other lenders participate in. Both nonprofits and for-profits are eligible to access loans through Advantage Illinois [participating lenders](#). This program is designed particularly for these two groups:

- Very small businesses (fewer than 10 employees) or
- Socially and Economically Disadvantaged Individuals (SEDI), which are “individuals who have had their access to credit on reasonable terms diminished compared to others in comparable economic circumstances.” [You can find out if you qualify as a SEDI here.](#)

Before you meet with an Advantage Illinois-participating lender, make sure you

- Are in good standing with the Illinois Secretary of State (this does not apply to individuals/ sole proprietors)
- Don't owe any back taxes
- Have no bankruptcies, material adverse judgements, or liens in the past 5 years

### Capital Improvement Funds

It's often difficult to find funding for capital improvement projects from public sources. However, there are three grant programs, through DCEO, that can be used for this purpose:

- [Construction and/or Renovation to Buildings, Additions, or Structures](#)

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- [Site Improvements](#)
- [Land and Building Acquisition](#)

To access these opportunities, it's particularly valuable to connect with your state-level elected officials to share your project details early in the process and explore whether one or both of these programs would potentially be suitable.

**Terminology Alert!** You have likely heard the terms “appropriations” and “earmarks,” and wondered what the difference is. Appropriations are funds that have been designated for an agency to use for a specific purpose, such as funding allocated to a specific grant program. Earmarks are specific provisions *within appropriations* that direct funds to a particular recipient, project, or location. Earmarks are usually designated for projects that have been specifically advocated for by either the elected official or organizations seeking funding.

- Develop a relationship with your local elected officials now, in both the Illinois House and Senate, to let them get to know your business or organization, so that they understand how you benefit the community and can help champion funding on your behalf.

Another source for capital improvement funding is the [Illinois Finance Authority](#), which issues tax-exempt [private activity bonds](#) for projects that create “long-term economic value in communities throughout Illinois,” which includes much-needed capital for nonprofits to fund capital projects. Applications are regularly open and can be downloaded [here](#). You can also check out some [examples of funding that other nonprofits have received](#).

- Reach out to the Help Desk and we can help connect you with your state elected officials or with the IFA program staff.

## Tax Credits and Rebates

There are state programs that provide a financial benefit to tax payers, which can be in the form of tax credits or tax rebates. *What's the difference?*

### Tax Credit

A Tax Credit is an amount that the tax law allows you to subtract from the tax that you owe.

For the creative sector, most of the tax benefit programs are tax credits. In general, these programs are designed to create an incentive to do business in Illinois and to employ Illinois-state residents. You don't receive any funding up front, but you do receive a tax credit equal to a percentage of the eligible expenses, which you can use to reduce your tax liability.

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Specifically for the creative sector, DCEO has two tax credit programs: the [Illinois Film Production Tax Credit](#) and the [Illinois Live Theater Production Tax Credit](#) programs. Both programs provide a tax credit - a percentage of eligible expenses - that can be used by your business, or can be revenue for your nonprofit after you sell the credits.

- On the horizon: the [Music and Musicians Tax Credit and Jobs Act](#) will provide tax credits to qualified music companies that produce, distribute, or promote music in Illinois.

DCEO has other tax credit programs that, while not specifically for the creative sector, could be leveraged to support the creative economy.

- The [Illinois Angel Investment Tax Credit Program](#) provides incentives to entities that make investments in businesses, which could include investment in creative businesses.
- Creative businesses that are in a growth phase may benefit from either the [Economic Development for a Growing Economy Tax Credit Program \(EDGE\) - Incentives](#) or [EDGE for Startups](#).
  - EDGE provides annual corporate tax credits to qualifying businesses that support job creation and capital investment.
  - EDGE for Startups helps encourage startups to invest, create, and retain jobs in Illinois.

And, depending upon the location of the business, either physical structure or the geographic location, the [Federal Historic Preservation Tax Credits](#), [Illinois Historic Preservation Tax Credits](#), or [River Edge Historic Tax Credits](#) may be available for qualified rehabilitation expenses.

- Tax credit programs typically accept rolling applications, so it's valuable to learn about them at any time to see if they are applicable.

## Tax Rebates

These are payments the government makes to you after a tax period, where the taxing authority gives back a portion of the money that you have already paid.

Tax rebates are often associated with renewable energy-related spending, like purchasing solar panels, or buying an electric car, for example. You provide the information in your tax return on what you spent, and then you get some amount of rebate from that - which is separate from your tax refund, if you qualify for one. You can learn more about Illinois state taxes on the [Illinois Department of Revenue](#) website.



## Contracts and Procurement

In addition to grants, loans, or other financial benefit programs, the State of Illinois can also be a source of earned income - you can sell goods or services to the state. These programs use their own systems for registration and promotion of opportunities.

The Capital Development Board's [Art-in-Architecture program](#) either purchases or commissions works of art by Illinois artists for public buildings that are either built or renovated by the State. Each project is tied to a specific Illinois-state funded construction or renovation project, each of which has an individual solicitation, RFP, and guidelines.

- Check out the [Commission Opportunities](#) to see if there are any open opportunities.
- Download the [Application Guide](#) to be prepared when an opportunity opens up - you can also submit your materials anytime, and then respond to a specific RFP.
- Learn more by watching this [Arts Alliance/Capital Development Board webinar](#).

For all other earned income opportunities, go to the [Illinois Procurement Sites](#) page, which provides links to all state-promoted procurement opportunities, which includes Chicago and Cook County. To be able to bid on contracts, you first need to be registered as a potential vendor with the State of Illinois.

- A good first step is to find your nearest [APEX Accelerator](#) - they can help you get started with accessing government contracts and procurement opportunities.
- All potential vendors (except for the Art-in-Architecture program) must first be registered on the [Illinois Procurement Gateway](#).
- Once you are registered, you can bid on contracts in [BidBuy](#).
- To see what the state is currently looking to purchase or commission, check out the quarterly Buying Plan on the [Procurement](#) page.

In addition to the overall procurement opportunities, there are often set-aside opportunities specifically for [small businesses](#), [businesses owned by minorities, women, and persons with disabilities](#), and [veteran-owned businesses](#).

- For these business ownership types, opportunities can be found in [Sell2Illinois](#).

## Arts Alliance Help Desk

For more information on any of these programs - or for any other help you need with accessing resources - come to the Arts Alliance Help Desk! We help creative workers, organizations, and businesses navigate funding and operational resources, to help them succeed.

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Through a partnership with scaleLIT, the Help Desk also offers career support for creative workers, providing guidance on employment readiness, accessing public benefits, and navigating available services.

Whether you need help applying for a funding opportunity, exploring new skills or certifications, or accessing public services, the Help Desk is here for you.

[\[Visit the Help Desk\]](#)