
Neighborhood Assistance Program

Program Guidelines



June 2016

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Section I – Introduction

The Pennsylvania Department of Community and Economic Development (the “Department” or “DCED”) is authorized to administer the Neighborhood Assistance Program (NAP) under Article XIX-A of the Tax Reform Code of 1971, known as the Neighborhood Assistance Act (Act 48-1994) (72 P.S. §8901-A, et seq.), as amended. In 2007, Act 55 made several changes to the program, supporting the efforts of the original Act. There are five components to this Act: the Neighborhood Assistance Program Tax Credit (NAP), the Special Program Priorities (SPP), the Neighborhood Partnership Program (NPP), the Charitable Food Program (CFP) and the Enterprise Zone Program Tax Credit (EZP).

The intention of these guidelines is to define the eligibility and application process for NAP, SPP, NPP and CFP. The NAP, SPP, NPP and CFP programs, for the purpose of these guidelines, will be referred to as the “Programs”, unless individually designated in each section. The Enterprise Zone Guidelines are under a separate cover.

The Department of Community and Economic Development’s vision for the commonwealth is to play a more strategic role in local government and municipal interaction by investing in our communities to provide assistance and support jobs that pay for all Pennsylvanians. The Department’s 2016 budget has a priority to revive Pennsylvania’s economy by providing tax credits and targeted assistance to: distressed areas and low income populations with a strategic focus on community participation and collaborations among residents, nonprofits, and businesses.

Pennsylvania’s renaissance will be driven by the need to increase community revitalization efforts, and this translates into the importance of programs such as the Neighborhood Assistance Program to provide support and opportunity for every neighborhood and community in the commonwealth. The Neighborhood Assistance Program will offer a proactive approach, with respect to its goals, which aim to offer additional resources in assisting neighborhoods and communities with fiscal difficulties, averting adverse impacts on health, safety and the welfare of their residents helping to put targeted areas back on the right track to good fiscal well-being.

These Programs apply to a low income population and must not result in the displacement or forced relocation of said population.

The **goals** of the Programs **are to promote community participation** and **collaborations** among the residents, nonprofits and businesses **while producing outcomes by assisting a distressed area or the low income population in a neighborhood.** **Eligible neighborhood nonprofits apply for tax credits based on pending contributions from for profit companies.**

Eligible projects include: Affordable Housing, Community Economic Development, Community Services, Education, Neighborhood Assistance, Neighborhood Conservation, Crime Prevention, Job Training, or Charitable Food Assistance.

Neighborhood organizations, which hold a ruling from the Internal Revenue Service as nonprofit, 501(c)(3) organizations, are eligible to apply for all programs in these guidelines. Each program has specific qualifications for eligibility. **Documentation of the 501(c)(3) status is required in all applications.** Individuals are not eligible to apply for NAP, NPP, SPP or CFP tax credits for their personal use.

The neighborhood organization will document they have capacity to complete the project, confirm collaborations (if needed), prove the need for the project and provide all required documentation to the Department upon application.

Section V will detail the requirements for each program. Regardless of the type of tax credits being requested, the narrative portion of the application must cover the following as a part of the required submission:

1. PLACE: Where is the proposed project?

Describe the neighborhood, community or specified target area where this project will take place.

Provide physical boundaries (as precise as possible). Include specific data about the area. The target population should relate to the target area, keeping the area as contained and as geographically defined as possible. Describe how the project complements the overall community, how it supports current and planned activities. Include a narrative description of any other funds that have been invested in the project that demonstrate a strategic alignment or partnership with other projects/activities/efforts and the means of sustainability.

2. PROBLEM: What is the need?

Provide a clear and specific description of the neighborhood or area need(s) that will be addressed by the project. NAP activities must be specific to a problem that the organization seeks to address. These activities need to be supported by verifiable statistics such as population, unemployment rate, percentage of residents receiving public assistance, information on adequacy of housing, vacant buildings, crime and delinquency statistics, and school dropout rate. Cite the source of the data. For example, if the organization provides after-school tutoring, the problem identified might be low educational attainment or a high dropout rate. If the organization is developing/renovating housing, the problem might be inadequate housing and a high rate of abandoned and dilapidated buildings. Describe how the problem impacts the community, neighborhood or targeted area.

3. PROJECT: What will be done?

Provide a description of the NAP project that is being proposed to address the problem identified. Describe the organization's detailed approach, outlining what specific problem(s) will be addressed and how the project will promote the proposed improvements. Further, describe how the project compliments the overall community and how it supports current or planned activities within the defined area. The narrative must outline the approach, plan and activities to accomplish the goals, objectives and outcomes. Include a detailed project schedule of activities that includes the key milestones and dates in the development and implementation of the project. This section should also identify project partners and other collaborators/subcontractors. This section should also include a narrative description of any other funds that have been invested in the project which demonstrate a strategic alignment or partnership with other projects/activities/efforts in the area. This section should also outline the project's plans for sustainability into the future.

4. PROPOSED OUTCOMES (Community Impact Measures Report Exhibit A):

The Proposed Outcomes identified by the applicant should describe quantifiable, measurable and achievable results that demonstrate the impact of the project on the place and problems identified. The application narrative must explain this impact and change, as well as describe how outcome measures relate to the NAP Project. Outcome measures must be provided in the NAP Community Impact Measures Report addendum to the Department's Single Application (*Exhibit A*). These activities and impact measures must be provided along with other measures proposed or anticipated by the applicant. In providing both the required and applicant-specific measures, the following format must be adhered to:

- **Inception Data:** Provide data pertaining to the observed problem prior to receiving NAP Tax Credit assistance.
- **Projected Outcomes:** Provide outcome measure data that the applicant expects to achieve at the completion of the NAP project.

A. The Programs

The Programs included in these guidelines are:

1. Neighborhood Assistance Program (NAP) 55%

An opportunity for business firms to contribute to neighborhood organizations to improve distressed communities, in turn receive up to a 55% tax credit. This program encompasses all approved projects in NAP.

2. Special Program Priorities (SPP) 75%

This program targets on specific problems and projects which the state has designated as priorities (see SPP section for a list of the priorities) in a distressed area. The tax benefit to a business firm contributing to an approved SPP application would be eligible for up to a 75% tax credit.

3. Neighborhood Partnership Program (NPP) 75-80%

Based on the Community/Strategic Plan, a neighborhood organization working holistically on multiple projects, form collaborations for success. Business firms commit to the project for five years (up to 75% tax credit) or six years (up to 80% tax credit), with a minimum contribution of \$50,000. The minimum application is \$100,000.

4. Charitable Food Program (CFP) 55%

Nonprofit regional food banks, which maintain an established operation involving the provision of food to nonprofit food pantries, soup kitchens, shelters, or feeding centers that provide food packages or meals to people in need of food assistance, and nonprofit emergency food providers, which operate food pantries, soup kitchens, food banks, or other programs to relieve hunger, food insecurity, and food shortages among needy individuals and families, homeless people, and victims of domestic violence, receive up to a 55% tax credit.

Section II – Requirements for All Programs

A. Activity and Contribution Period

1. Activity Period

The activity period for the Programs is 15 months, beginning on July 1 and ending on September 30 of the following year. The timeline provides three months beyond the contribution period, to September 30, for the nonprofit to expend all contributions received. The activity period and project time frame are the same.

2. Contribution Period

The contribution period coincides with the State fiscal year and is only 12 months, starting July 1 and ending on June 30 of the following year. All contributions must be received by the nonprofit organization by June 30. Agencies are advised not to accept contributions until the award letter is received.

B. Beneficiaries

Low-income households located in a distressed or impoverished area within Pennsylvania.

A **low-income household** is defined as a person and his or her immediate family for which, during the twelve months immediately preceding the date of application for services: (1) total income does not exceed 150% of the federal poverty level as established annually by the federal Office of Management and Budget; or (2) total income does not exceed 80% of the median income of the targeted area; or (3) total income meets the income requirements of another applicable government program.

A distressed area must demonstrate, in comparison to county and statewide averages, a high incidence of one or more of the demographic factors set forth below:

- Persistent unemployment or underemployment
- Dependence upon public assistance
- Overcrowded, unsanitary or inadequate housing
- Crime and delinquency
- School dropouts
- Other evidence of low educational attainment
- Vacant and dilapidated properties, blight
- Other generally accepted indicators of widespread social problems

C. Distressed Areas

The following are deemed as distressed areas:

- Enterprise Zones
- Keystone Opportunity Zones Warren County is in the Northwest KOZ; does anyone have an active app though?
- Keystone Opportunity Expansion Zones
- Keystone Opportunity Improvement Zones
- Keystone Communities
- Keystone Main Streets
- Keystone Elm Streets
- Keystone Communities Enterprise Zones
- Act 47 Municipalities
- Cities of the First Class, Cities of the Second Class, Cities of the Second Class A or Cities of the Third Class

D. Eligible Activities

The following list defines the eligible activities and uses of contributions:

1. **Affordable Housing Programs:** The renovation, repair, rehabilitation, construction or preservation of housing for low-income households (including expenses for predevelopment, land acquisition, site control and clearing title, market studies, environmental costs, energy conservation and green building services, design services and legal and other technical assistance services).
2. **Community Economic Development:** Activities that revitalize or stabilize distressed areas, through one or more of the following: (1) The construction or rehabilitation of commercial or industrial buildings, (2) the removal or elimination of physical blight (3) increased access to job training, employment opportunities, education and community services opportunities, (4) and/or crime prevention within a designated area.

3. **Community Services:** Any type of counseling and advice, emergency assistance, food assistance or medical care furnished to individuals or groups in a distressed area, which has a primary or secondary benefit to the stabilization or revitalization of the area.
4. **Crime Prevention:** Activities to help reduce or prevent crime in a distressed community.
5. **Education:** Scholastic instruction or scholarship assistance for an individual residing in a distressed area, which enables the individual to prepare for better life opportunities.
6. **Job Training:** Instruction for an individual residing in a distressed area, which enables that individual to acquire vocational skills to become employable or be able to seek a higher grade of employment.
7. **Neighborhood Assistance:** Financial assistance, labor, material or technical advice furnished to aid in the physical improvement of any part or all of a distressed area.
8. **Neighborhood Conservation:** Project or service that addresses the decline of a neighborhood or the needs of a vulnerable population and which has a primary or secondary benefit to the stabilization of a distressed area.

E. Requirements

- Contributions made or received outside of the contribution period (July 1 through June 30) are not eligible for tax credits. Agencies are advised not to accept contributions until the award letter is received.
- When a project application is approved, the Department will offer an agreement letter to the neighborhood organization applicant (grantee). This agreement, often referred to as a contract, is legally binding. In some instances, projects and activities change due to unforeseen circumstances. If the project scope should change or if expenses are not lining up with costs, the agreement will have to be modified or amended. In either instance, the Department should be notified in writing in order to implement the changes. See Section III D & E for details on Amendments and Modifications.
- Tax credits will not be given to a bank, bank and trust company, insurance company, trust company, national bank, savings association, mutual savings bank, or building and loan association for activities that are a part of its normal course of business.

Section III – The Single Application Process

Every applicant is required to complete an Electronic Single Application (ESA), also known as the DCED Single Application when applying for funding. To assist the success of the application, complete all required elements of the program for which the agency is applying (*see individual program section attached*). Complete an accurate narrative that provides the Place, Problem, Project, and Proposed Outcomes. Review the section, in these guidelines, that relates to the program for which the agency is applying. Before submitting, review the checklist provided for each program section.

A. Submission of Application

1. The applicant must **apply electronically** utilizing the Department's Electronic Single Application for Assistance located at **dc.ed.pa.gov** or **www.esa.dced.state.pa.us**. The **Department also requires the applicant to submit the application addenda listed in the ESA as a part of the application process**. The required Application Content may be **attached electronically to the application on the Addenda tab**, or submitted via US Mail with the signature page. Please reference the Single Application number on any documents sent with the signature page. If you need additional assistance, contact the Customer Service Center at: 1-800-379-7448 or 717-787-3405.
2. The Department will **post the guidelines each spring at dc.ed.pa.gov**. The application due dates and any other details regarding the Programs will be updated as needed.

B. Review of Proposals

Applications will be **reviewed and ranked based upon the following factors**:

1. The application **must address one of the eligible activities** listed in the appropriate Program section.
2. **Projects must be focused on a specific target area**. Data to support the project and population should clearly define geographic area, the target population and the viability of the project. Explain how this project will enhance the quality of life within the specific targeted area.
3. The application must be complete and concise with **measurable goals and outcomes**.
4. The application **must demonstrate significant community impact which is quantified in the Community Impact Measures Report (Exhibit A)**.
5. The project **must not duplicate other projects or services existing in the same community at the time of application**. The neighborhood organization must explain their capacity to administer the project.
6. The applicant must demonstrate their capacity to administer the project.
7. The neighborhood organization must **provide commitment letters or present a strong solicitation plan**; *greater consideration will be given to applicants that submit written evidence of contribution commitment and detail collaboration with other organizations or initiatives in the area.*
8. **Approval decisions will be made subject to the availability of tax credits, activity to be undertaken, reasonableness, and completeness of the application.**
9. The Department, at its discretion, after applications are reviewed and if credits are still available, may provide an opportunity for applicants with incomplete applications meriting additional consideration to provide supplemental information for review and approval. However, the Department is under no obligation to seek further information or clarification to complete its review of the application.

10. Applications not approved for funding will receive rejection letters.
11. The Neighborhood Assistance Program should not be viewed as an on-going entitlement program. All applications are reviewed and scored on a yearly basis. Prior funding under this program does not guarantee an automatic approval of any application/project regardless of its type of Tax Credit.

***Please Note:** Once your application is submitted we will not accept major changes to the scope, breadth, budget, or location of your project prior to approving said project. Minor changes will be considered on a case by case basis. It is the Department's discretion to determine what constitutes a major or minor change to a project.*

C. Approval Process

1. The Department Secretary will approve projects for the Programs tax credits, as well as establish the amount of tax credits that will be provided to the applicant. Preference will be given to projects in targeted areas which are currently supported by multi-faceted community development funding sources.
2. The Department will offer a tax credit project approval to a neighborhood organization. The approval letter is the offer of a binding agreement that outlines the terms and conditions of the award. This approval letter must be signed by the neighborhood organization and returned to the Department within 60 days of the offer in order to become effective. The approval letter becomes a binding agreement between the Department and the neighborhood organization when it is signed and returned to the Department.
3. Upon receipt of the signed agreement from the neighborhood organization (approval letter) the Department will do the following:
 - a. Notify the business contributor(s) that the tax credit project is approved.
 - b. Provide a copy of the agreement (approval letter) between the Department and the neighborhood organization and provide a blank Application for Tax Credit under the Neighborhood Assistance Act (Exhibit C) form to the business contributor(s) for completion and return to the Department with documentation that the contribution is complete. This form may also be found on the website under the Neighborhood Assistance Program information.

***Note:** The only business contributors that will receive a notification letter and form from the Department are those who submitted a commitment letter on their business letterhead paper with the project application.*

D. Amendment

An amendment is required when a major change occurs after a project has been approved, such as dropping and/or adding an activity, changing the project location, changing the termination date of the project, or by increasing/decreasing a budget line item by 10% or more. A written request from the grantee to amend the agreement must be submitted to the Department before the agreement end date. The request must describe the proposed change(s). If the change affects the budget, a revised budget and justification must be submitted with the amendment request along with any other supporting documents such as a change in sub-contractor, scope of work, etc.

E. Modifications

A modification is a minor change to the objectives, timelines, or goals of an approved project. Requests for modifications must be in writing before the agreement end date from the grantee and must describe the details related to the modification. The request must contain the original and the revised objectives, timeline, or goals and other changes. If the change affects the budget, a revised budget and justification must be submitted.

F. Reporting Process

For all tax credit projects, an initial Community Impact Measures Report (*Exhibit A*) is due at the time of application. An annual report which consists of both a Final Community Impact Measures Report (*Exhibit A*) and a Neighborhood Assistance Program Annual Report (*Exhibit A-2*) are both due to the Department on or before December 31st. These reports are used for data collection and reporting purposes. The NAP Annual Report allows for a brief narrative of what was accomplished with the project, and how it met the goals and objectives laid out in the original application. Finally, the agency should include any success stories that may be related to the project with a recommendation to the Department for a site visit by one of the following: Center for Community Services Director, Regional DCED staff, Deputy or Executive Deputy Secretary, Secretary, and/or member within the Governor's executive administration. These stories should illustrate how this project had a positive impact in the community.

G. Audit

NAP, SPP, NPP, and CFP projects do not require an audit.

Section IV – Contributor Information

A. Introduction

The Neighborhood Assistance Programs offer ways to assist nonprofits meet the challenges of funding by the generosity of businesses. Tax credits are applied for by the nonprofit and, if approved, the contributing businesses would receive state tax credits for their contribution. This is also to assist the businesses to reach beyond their usual generosity, and community giving. Examples of how these credits may work for your business is included in this section (*Exhibit B*).

Contributions include: cash contribution, equipment and/or supplies contribution, job training, real estate contribution, or technical assistance. Credits may be used the year of the contribution and for four years after or a total of five consecutive years.

Contributions may be made anywhere within the Commonwealth of Pennsylvania, relating to the low income population.

The process is uncomplicated for the businesses. If the business is prepared to support the applicant/project they should provide a letter of commitment on corporate letterhead. Upon written approval of the project, the donation must be made within the July 1 to June 30 timeframe. Lastly the business/corporation completes the tax credit application form and submits it as well as proof of the contribution (i.e. photocopies of a cancelled check front and back) to DCED.

B. Programs

There are four programs under the Neighborhood Assistance Act that apply to nonprofits:

1. Neighborhood Assistance (NAP)

One year commitment to a project, up to 55% tax credit

2. Charitable Food Program (CFP)

Supports local food bank distribution center, one year, up to 55% tax credit

3. Special Program Priorities

One year, one project meeting the special program requirements up to 75% tax credit

4. Neighborhood Partnership Program (NPP)

This is a multi- year commitment to a nonprofit working on a strategic plan that will improve the quality of life for the residents of a specified target area. An annually renewed contribution of at least \$50,000.00 for a period of 5 years will be eligible for up to a 75% tax credit. A 6 year or longer commitment of at least \$50,000.00 will be eligible for up to an 80% tax credit. Participation in this type of project is recommended, based on availability.

C. Eligible Contributors

A business firm is a business entity authorized to conduct business in Pennsylvania and subject to taxes imposed under:

- Corporate Net Income Tax
- Bank & Trust Company Shares Tax
- Title Insurance Company Shares Tax
- Insurance Premiums Tax
- Mutual Thrift Institutions Tax

The Department of Revenue will grant a tax credit against any of the above taxes due by the contributing business firm. Additionally, **Pennsylvania S corporations, limited liability companies, partnerships, joint ventures and business trusts may pass through tax credits.** (See below, *Passing through tax credits.*)

Business contributors under the Neighborhood Assistance Programs are not eligible to submit project applications, but are eligible to make contributions to neighborhood organizations and, if the nonprofit application is approved by the Department, the business will receive tax credits upon submission of a separate application (*Exhibit C*) to the Department after the contribution is made.

D. Caps on Contributors

1. Contributions to Three or Less Projects:

The **maximum tax credit** amount a business firm may receive annually for contributions for three or less projects is **\$500,000**. This maximum applies to the total of NAP tax credits awarded **under all programs**.

2. Contributions to Four or More Projects:

The **maximum tax credit** amount a business firm may receive annually for contributions to four or more projects is **\$1,250,000**. This maximum applies to the total of NAP tax credits awarded **under all programs**. There are **no limits on how many projects a business may contribute to**.

E. Contribution Period

The contribution period coincides with the State fiscal year, starting July 1 and ending on June 30 of the following year. All contributions from a business contributor must be received by the neighborhood organization by June 30.

The business contributor has until December 31 - 18 months after the start of the state fiscal year - to submit the tax credit form, Application for Tax Credit under the Neighborhood Assistance Act (*Exhibit C*) with proof of contribution to DCED. Directions are included with the form.

F. Commitment Letter

A commitment letter is part of the application process for the nonprofit. This letter (*Exhibit E*) is an agreement to make the contribution if the tax credits are approved. For one year projects, a simple letter is recommended. For a long term commitment, such as the Neighborhood Partnership Program (NPP) a letter is required every year and a Memorandum of Understanding (MOU) is also required (*Exhibit G*). The MOU is drafted by the nonprofit, and is the agreement for the long term commitment.

A new application is submitted each year by the nonprofit. Approval for the first year does not guarantee the approval of subsequent years. Some reasons an application may be denied are: poor progress of applicant, unavailable tax credits, or incomplete application.

G. How to Use the Tax Credits

The business firm awarded tax credit has three options: retain and use, sell or assign or pass through to another eligible entity. All tax liabilities have to be satisfied before the business can sell or assign the credits or pass through to another entity. The Department of Revenue makes the final determination concerning selling or assigning the tax credits or passing them through to another business. If the business firm has tax liabilities, the Department of Revenue will require the business to settle the liabilities before approving a sale, assignment, or pass through.

1. Business Firm Retaining and Using Tax Credits

If the business firm decides to retain and use the tax credits:

- a. Complete and submit the application form Application for Tax Credit under the Neighborhood Assistance Act (*Exhibit C*) with proof of contribution to DCED. Examples of proof of contribution include: copies of the front and back of a cancelled check, invoices for equipment/supplies, an invoice for the cost of job training, proof of donation of real estate or invoices for technical assistance. Donors making in-kind food contributions to CFP programs should submit the form located at Exhibit H.
- b. The form must be submitted to DCED by December 31 which is 180 days (6 months) after the contribution period ends.
- c. DCED first approves and then forwards the form to the Department of Revenue for processing.
- d. The Department of Revenue notifies the business firm when the tax credits are approved and applied.

2. Selling Tax Credits

If the business firm decides to sell the tax credits the business firm must submit the following two forms to the Department:

- a. Application For Tax Credit Under the Neighborhood Assistance Act (*Exhibit C*) to DCED for approval; and
- b. Application To Sell or Assign Tax Credits under the Neighborhood Assistance Act (*Exhibit D*). This application may only be made after the business firm has held the approved NAP tax credits for one year.
- c. Upon receipt of the Application To Sell or Assign Tax Credits Under the Neighborhood Assistance Act (*Exhibit D*) DCED will review and forward the form to The Department of Revenue recommending the sale. The Department of Revenue will review and determine if there are enough tax credits available for the sale. If approved, the Department of Revenue notifies DCED. The business firm will then be notified, by DCED, with an approval memo and an approved Application to Sell or Assign Tax Credits under the Neighborhood Assistance Act.

3. **Passing Through Tax Credits**

If the business firm requests to pass through the tax credits, the business firm's tax liabilities must first be satisfied. Only Pennsylvania S corporations, limited liability companies, partnerships, joint ventures, and business trusts may pass through tax credits. The business firm must do the following in order to pass through tax credits:

- a. Submit the Application for Tax Credit under the Neighborhood Assistance Act (*Exhibit C*) to DCED for approval.
- b. After DCED approves the NAP tax credits, the business must send a letter to the Department of Revenue requesting to pass through the credits.
- c. The request must include a list of shareholders, members or partners, and the amount of credit to be passed through to each shareholder/member/partner on the firm's business letterhead, signed by an authorized representative.
- d. The Department of Revenue approves or disapproves all pass through requests.

The request for pass through tax credits must be submitted to the following address:

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Corporation Taxes
Dept 280701
Harrisburg, PA 17128-0701

H. Acknowledgements

The Department of Community and Economic Development may publicly acknowledge business firms that contribute to NAP projects. These acknowledgements may take the form of announcements, speeches, or marketing efforts to the general public as well as the media. Please be aware that there are certain situations where the Department would be required to disclose business contributor participation in NAP, SPP, NPP and CFP programs.

Section V – Neighborhood Assistance Program (NAP)

A. Introduction

The Neighborhood Assistance Program (NAP) is a way to form collaborations with businesses in a community. Along with the requirements of the previous sections, this section describes the particular requirements for NAP.

NAP offers up to a 55% tax credit to contributors on an approved project. This is a one year, one project application. Sections I-III must be met as well as the following.

B. Program Requirements

The following list defines the eligible activities and uses of contributions:

1. **Affordable Housing Programs:** The renovation, repair, rehabilitation, construction or preservation of housing for low-income households (including expenses for predevelopment, land acquisition, site control and clearing title, market studies, environmental costs, energy conservation and green building services, design services and legal and other technical assistance services).
2. **Community Economic Development:** Activities that revitalize or stabilize distressed areas, through one or more of the following: (1) The construction or rehabilitation of commercial or industrial buildings, (2) the removal or elimination of physical blight (3) increased access to job training, employment opportunities, education and community services opportunities, (4) crime/violence prevention within the designated area, or (5) assist Relative/Neighbor Caregivers to become registered and licensed Family Day Care Homes.
3. **Community Services:** Services such as counseling, case management services, and advisory services, emergency assistance, food assistance or medical care furnished to individuals or groups in a distressed area, that are intended to to stabilize or revitalize the area.
4. **Crime Prevention:** Activities, such as block watch programs or community awareness training, to help reduce crime in a distressed community.
5. **Education:** Scholastic instruction or scholarship assistance for an individual residing in a distressed area which enables the individual to prepare for better life opportunities.
6. **Job Training:** Instruction for an individual residing in a distressed area, which enables that individual to acquire vocational or pre-vocational skills to become employable or be able to seek a higher grade of employment.
7. **Neighborhood Assistance:** Financial assistance, labor, material or technical advice furnished to aid in the physical improvement of any part or all of a distressed area.
8. **Neighborhood Conservation:** Projects or services that address the decline of a neighborhood or the needs of a vulnerable population and which have primary or secondary benefit to the stabilization of a distressed area.

C. Required Narrative Details

The narrative should explain the essence of the project. By describing the Place, Problem, Project and Proposed Outcomes, the story of the project should be told. This is a required part of the narrative.

1. PLACE: Where is the proposed project?

Describe the neighborhood, community or specified target area where this project will take place. Provide physical boundaries (as precise as possible). Include specific data about the area. The target population should relate to the target area, keeping the area as contained and as geographically defined as possible. Describe how the project complements the overall community, how it supports current and planned activities. Include a narrative description of any other funds that have been invested in the project that demonstrate a strategic alignment or partnership with other projects/activities/efforts and the means of sustainability.

2. PROBLEM: What is the need?

Provide a clear and specific description of the neighborhood or area need(s) that will be addressed by the project. NAP activities must be specific to a problem that the organization seeks to address. These activities need to be supported by verifiable statistics such as population, unemployment rate, percentage of residents receiving public assistance, information on adequacy of housing, vacant buildings, crime and delinquency statistics, and school dropout rate. Cite the source of the data. For example, if the organization provides after-school tutoring, the problem identified might be low educational attainment or a high dropout rate. If the organization is developing/renovating housing, the problem might be inadequate housing and a high rate of abandoned and dilapidated buildings. Describe how the problem impacts the community, neighborhood or targeted area.

3. PROJECT: What will be done?

Provide a description of the NAP project that is being proposed to address the problem identified. Describe the organization's detailed approach, outlining what specific problem(s) will be addressed and how the project will promote the proposed improvements. Further, describe how the project compliments the overall community and how it supports current or planned activities within the defined area. The narrative must outline the approach, plan and activities to accomplish the goals, objectives and outcomes. Include a detailed project schedule of activities that includes the key milestones and dates in the development and implementation of the project. This section should also identify project partners and other collaborators/subcontractors. This section should also include a narrative description of any other funds that have been invested in the project which demonstrate a strategic alignment or partnership with other projects/activities/efforts in the area. This section should also outline the project's plans for sustainability into the future.

4. PROPOSED OUTCOMES (Community Impact Measures Report):

The Proposed Outcomes identified by the applicant should describe quantifiable, measurable and achievable results that demonstrate the impact of the project on the place and problems identified. The application narrative must explain this impact and change, as well as describe how outcome measures relate to the NAP Project. Outcome measures must be provided in the NAP Community Impact Measures Report addendum to the Department's Single Application (*Exhibit A*). These activities and impact measures must be provided along with other measures proposed or anticipated by the applicant. In providing both the required and applicant-specific measures, the following format must be adhered to:

- **Inception Data:** Provide data pertaining to the observed problem prior to receiving NAP Tax Credit assistance.

- **Projected Outcomes:** Provide outcome measure data that the applicant expects to achieve at the completion of the NAP project.
- **Actual Outcomes:** Provide outcome measure data that shows the actual results achieved by the NAP project at the end of the contract period. For all tax credit projects, a final Community Impact Measures Report (*Exhibit A*) is due to the Department 30 days after the expiration date listed in the agreement letter. This report is used for data collection and reporting purposes. Also include a brief narrative of what was accomplished with the project, and how it met the goals and objectives laid out in the original application. Finally the agency should include any success stories that may be related to the project. These stories should illustrate how this project had a positive impact in the community. All of this information will be used in the future to assist in determining if the project/agency should receive additional tax credits should they apply as well as assisting the department to better prioritize the allocation of future tax credits.

D. Budget

In completing the budget section in the Single Application, the **budget must include the NAP Request** (in the first column) **and any other sources of funds that are needed to undertake the project** (remaining columns). The **NAP budget column must reflect the total contribution amount (not the tax credit amount) expected to be received. Based on this amount, the tax credit amount will be determined.** For example, you received a commitment from a business firm in the amount of \$75,000, the total amount of the application. The NAP budget column should reflect \$75,000. The tax credit award will be calculated from that column at up to 55%, for NAP projects. If there is more than one commitment, add up the commitments, which should be the total of the NAP column.

The \$75,000 contribution from a business firm will result in a tax credit of \$41,250 for the NAP project. Applicants are responsible for ensuring that the full commitment/contribution amount is accounted for.

The portion of contributions used for administrative costs and overhead is limited to no more than 10% of the contributions received. Administrative costs generally **include salaries and benefits for agency administration, finance/accounting, procurement, building maintenance, etc.** as well as **travel and office supplies/equipment.**

The definition of **administrative costs does not include the staff and time related to direct service provision and activities that directly benefit people, support physical improvements, or direct program costs.**

E. Budget Justification

Complete a Budget Justification similar to the sample provided (*Exhibit F*). Please **list all budget expenses for the application separating the contribution cost (DCED column) from the other costs needed to fund the entire project only.** Review the costs provided. Check to make sure they correspond with the proposed project activities and compare to the open line items in the budget for accuracy.

Remember to **submit any documentation required to support the budget.** This **may include job descriptions** (for positions being paid under the NAP application), **sub contract agreements, leases or construction documentation.**

F. Checklist for Application

- Does the application meet the requirements of NAP?
- Completed application on the Single Application System.
- Completed project narrative on the Single Application System (*"Please see attached"* or other statements of a similar nature are not acceptable).
- Narrative: explain the Place, Problem, Project and Proposed Outcomes.

- Was the Community Impact Measures Report completed including the last page (the list of Contributors)?
- Was data supplied (give references where data was extracted: census track, city code, etc). to support low income, distressed area and the need?
- Were the commitment letters (preferred) or a detailed solicitation plan attached?
- Copy of the IRS 501(c)(3) award letter attached.
- Any job descriptions being paid by the NAP attached.
- Any agreements, sub contracts, ownership, lease or sale agreements, bids, quotes or cost estimates attached?
- Are there any zoning or any special requirements needed to complete the project?
- Is the project budget correct? Does it match with the Budget Justification?
- Any supporting documents that apply to the data collected? Maps? Charts?
- Any letters of support for the project.
- Photos, drawings or project descriptions not included in narrative.

Section VI – Special Program Priorities (SPP)

A. Introduction

The Special Program Priorities (SPP) focuses on specific needs in distressed communities. These projects are based on detailed criteria that support collaborations, partnerships and goals. SPP offers up to a 75% tax credit for approved one year projects.

B. Program Requirements

To meet the requirements of an SPP application, all of the requirements in Sections I-III must be met as well as one or more of the following:

1. **Disaster or Economic Recovery:** Needs related to disaster recovery efforts related to federally-declared disasters, such as floods, or any other form of natural disaster. Projects are limited to areas within counties and locations that received a disaster declaration by the President, or any future declared disaster.

Economic recovery relates to the sudden impact on a community based on a sudden economic hardship. This could include a plant closing, mass lay-offs, or other forms of impact that cause a community to suddenly become economically distressed. The projects may include dislocated workers programs, social service needs, case management or any such services needed to assist the population to recover.
2. **Integrating Weatherization and Housing Rehab:** Housing improvement efforts that integrate weatherization and energy conservation efforts with housing rehabilitation and repair programs. The coordination of these funding streams must include DCED's Weatherization Assistance Program and funding from either CDBG or HOME Program. The neighborhood or place should be limited to where the actual projects are located. This may be a block or several streets. The housing improvements can be undertaken for either rental or owner-occupied homes.
3. **Diversity Initiatives:** These initiatives should promote the integration of diverse populations to strengthen the quality of life for all residents of the commonwealth. Applicants are responsible for providing documented information as to how their targeted population meets the concept of diversity. This documentation should include any research data or statistics which substantiate the need for assistance to a unique population. This initiative also includes refugee and immigrant populations.
4. **Mortgage Foreclosure Prevention:** Projects and activities aimed at preventing mortgage foreclosures. This can include, but is not limited to, hotlines, counseling, legal assistance, fraud prevention, education, diversion programs, and lending/restructuring initiatives provided to a specific targeted area in need.
5. **Blight Elimination:** Projects in an area that successfully form partnerships within the community. The Partnership must include a neighborhood based agency (the applicant), a private sector business (not the contributor) and the local government, collaborating to reduce blight in a well defined distressed area.
6. **Veteran Initiatives:** Projects or programs that support veterans and their families. Applicant must demonstrate that there is a need for a veteran specific program with data, research or any other means of documentation for support. All eligible services under the general Neighborhood Assistance Program are eligible for this designation.

- 8. Rural Transportation Initiatives:** These initiatives should strive towards reducing the burden placed on low income residents of rural areas in accessing transportation. Too often it is difficult or impossible for low income residents of rural areas to gain access to effective, reliable transportation that would allow them to obtain and maintain employment, attend health related appointments, attend education or training to better themselves, etc. Projects that assist low income people with obtaining their own transportation, providing free or low cost transportation or providing public transportation to rural areas would be eligible for this designation.
- 9. Affordable Housing and Supportive Services for At-Risk Populations:** Renovations, repair, rehabilitation, construction or preservation of housing **and** related supportive services for At-Risk Populations where there is a lack of affordable housing for them. At-Risk Populations are Low Income households who require assistance in obtaining housing, adequate food, health and medical care, job training and/or services in order to live outside of an institutional setting such as a shelter or nursing home or on the street. At-Risk Populations include households in which one or more adults are: homeless, have physical or mental disabilities, chronic illnesses or are elderly and/or frail.

C. Required Narrative Details

SPP requirements should be clearly documented. State what program requirement is being applied for and give precise details for the project and how the application fits SPP requirements. Include all data, maps, charts, agreements, partnership arrangements or resources you may have to support the application. The narrative should explain the essence of the project. By describing the Place, Problem, Project and Proposed Outcomes, a story of the project should be told. *The narrative requirements are explained in Section I of these guidelines.*

D. Budget

In completing the budget section in the Single Application, the budget must include the SPP Request (in the first column) and any other sources of funds that are needed to undertake the project (remaining columns). The SPP budget column must reflect the total contribution amount (**not the tax credit amount**) expected to be received. Based on this amount, the tax credit amount will be determined. For example, you received a commitment from a business firm in the amount of \$75,000, the total amount of the application. The SPP budget column should reflect \$75,000. The tax credit award will be calculated from that column at up to 75%, for SPP projects. (If there were more than one commitment, add up the commitments, which should be the total of the NAP column.) The \$75,000 contribution from business firm will result in a tax credit of \$56,250, for the SPP project. Applicants are responsible for ensuring that the full commitment/contribution amount is accounted for.

The portion of contributions used for administrative costs and overhead is limited to no more than 10% of the contributions received. Administrative costs generally include salaries and benefits for agency administration, finance/accounting, procurement, building maintenance, etc. as well as travel and office supplies/equipment. The definition of administrative costs does not include the staff and time related to direct service provision and activities that directly benefit people, support physical improvements, or direct program costs.

E. Budget Justification

Complete a Budget Justification similar to the sample provided (*Exhibit F*). Please list all budget expenses for the application separating the contribution cost (DCED column) from the other costs needed to fund the entire project only. Review the costs provided. Check to make sure they correspond with the proposed project activities and compare to the open line items in the budget for accuracy.

Remember to submit any documentation required to support the budget. This may include job descriptions (for positions being paid under the NAP application), sub contract agreements, leases or construction documentation.

F. Checklist for Application

- Does the application meet the requirements of SPP?
- Completed application on the Single Application System.
- Completed project narrative on the Single Application System (*"Please see attached"* or other statements of a similar nature are not acceptable).
- Narrative: explain the Place, Problem, Project, and Proposed Outcomes.
- Was the Community Measures Report completed including the last page (the list of Contributors)?
- Was sufficient documentation submitted to support the SPP project? Partnerships? Need?
- Required proof of other funding sources or collaborations.
- Was data supplied (give references where data was extracted: census track, city code, etc.) to support low income, distressed area and the need?
- Were the commitment letters (preferred) attached (or a solicitation plan)?
- Copy of the IRS §501 (c)(3) award letter attached.
- Any job descriptions being paid by the NPP attached?
- Any agreements, sub contracts, ownership, lease or sale agreements, bids, quotes or cost estimates attached?
- Were zoning or any special requirements needed to complete the project?
- Is the project budget correct? Does it match with the Budget Justification?
- Any supporting documents that apply to the data collected? Maps? Charts?
- Any letters of support for the project (not required but if you have)?
- Photos, drawings or project descriptions not included in narrative.

Section VII – Neighborhood Partnership Program (NPP)

A. Introduction

The Neighborhood Partnership Program (NPP) is a program developed around a community strategic plan and collaborations with partners and long term business relationships. The Neighborhood Organization, a nonprofit agency, would be the applicant for an NPP. The NPP will create energy in the community by completing projects, based on specific development needs in a targeted area that produce measurable outcomes. NPP is a long term program which secures business commitments for five years or six years or longer. The tax credit amount for a five year NPP commitment is up to 75% and for a six year or longer commitment is up to 80%. Minimum contributions are \$50,000 per business and the minimum application is \$100,000. Applications must have commitment letters for all contributors at time of submission. If approved by the Department, the neighborhood organization may have more than one NPP based on need and project(s).

B. Program Requirements

All requirements in Section I –IV must be met when applying for Neighborhood Partnership Program Tax Credits. The narrative should explain the essence of the project by describing place, problem, project and proposed outcomes. *Narrative requirements are explained in Section I of these guidelines.*

C. Original Application

The NPP application is a detailed document that provides an accurate description of the community or targeted area, the need, the projects and the collaborations and partnerships developed. The application should provide a snapshot of what is happening in the area and how, with the help of NPP, the community or targeted area will improve.

Many things are considered in an NPP. Can the neighborhood organization support the activities of an NPP? Are collaborations and partnerships forming with the NPP? Is the neighborhood organization sustainable? Is there community involvement/buy in? Is there a five or six year commitment by all involved?

NPP applicants are responsible for ensuring their contributors are committed to the full five, six, or more years of the project. Applicants should make their contributors aware tax credits can be rescinded by the Department of Revenue for failure to contribute to the full five or six year term of the project. Once an NPP project has begun it is not possible to add additional contributors in subsequent years.

NPP applicants may only run a single NPP project in a neighborhood or targeted area. Running more than one NPP in a specific targeted area would violate the non-duplication stipulation set forth above. If, during the course of an NPP, an applicant believes services should be changed or expanded, this should be put forth in subsequent year applications for the ongoing NPP for consideration.

In addition to the application requirements, other basic requirements for an NPP application include:

1. An executive summary or a full copy of the Community or Strategic Plan. This plan incorporates the needs of the community, projects and priorities, and what the vision is for the area specified. Input for this process should include a collaboration of residents, the NPP Advisory board and any other entity that would be impacted by the plan. The plan needs to extend over the life of the NPP award (five or six years). The plan will focus on multiple NPP requirements. Include any other funding or leveraging that will be used in this NPP. This will include a timeline that defines the projects over the life of the award. Explain what has happened in the previous year (if submitting a ongoing application) and what will happen in the following year(s).

2. A complete Community Impact Measures report including the last page and list of contributors. Section I, II and III are completed for an NPP application.
3. A list naming all the Neighborhood Partnership Advisory Committee Members. The Neighborhood Partnership Advisory Committee shall assist with the initial and subsequent planning of a Neighborhood Partnership Project and provide ongoing input to the Neighborhood Organization carrying out the NPP project. This committee could be made up of members of the agency, business contributors, subcontractors, government representatives or other organizations related to the NPP, residents and anyone in the community that has an active part in the NPP projects. This group should meet at least quarterly to discuss the progress, any issues that arise and to relate and update information on the community. These meetings shall be open to the public, except where confidential personnel or program client services information is to be discussed.
4. The Memorandum of Understanding (MOU) between the applicant and the business contributor(s) for the life of the NPP commitment (*Exhibit G*). If this is a continuing plan, and no change has occurred since the plan was last submitted, the original MOU may be submitted again. If changes have occurred, a new or amended MOU must be submitted. The MOU is a written agreement between the neighborhood organization and all of the participating business firms that outlines the nature and extent of financial and other commitments each is making to carry out the Neighborhood Partnership Plan and the mutual expectations and obligations of both parties. The MOU at a minimum should include the following:
 - A pledge of not less than \$50,000 in yearly cash contributions for a minimum of five years.
 - The duration of the pledge and project (five years or six years or longer).
 - A schedule for the distribution of funds to the community development agency.
 - A timetable for the completion of key project activities and expected outcomes of those activities.
 - A delineation of the type of participation and in-kind support the business firm will provide.
 - The circumstances under which the terms of the agreement may be changed or terminated.
 - Recognition of the business firm's support by the community development agency in project related publications, press releases and signage at project rates.
 - Consultation between the neighborhood organization and business firms concerning progress and changes to the project.
 - Other mutual understandings concerning the relationship between the business firm and the community development agency.
5. A complete job description for any position that will be funded either fully or in part with the requested NPP tax credits. The job description must include the salary assigned to the position, percentage paid with business contributions that are eligible for tax credits, immediate supervisor and title of the position.
6. A complete Budget Justification containing a model budget justification and required description of the allowable line items for each project.
7. A copy of the Organization's IRS Determination Letter.
8. A letter from the appropriate planning agency certifying that the proposed project is in compliance with the comprehensive land use plans and zoning and subdivision codes, if applicable.
9. Cost Estimates (if applicable) – A statement estimating the cost of the project. The estimate must be prepared by an engineer or other qualified professional and should be accompanied, where appropriate, by copies of the signed bids/quotations, contractor estimates, or sales agreements that verify project cost estimates.

10. Evidence of property ownership, deed, or lease for properties to be renovated, etc. with NPP funds.

11. A copy of any proposed sub-contractual agreement(s) for services, if applicable.

12. NPP applications are required to have commitment letters.

D. Subsequent/Ongoing Application

NPP applications must be submitted for each year of the NPP project. Each subsequent submission should describe, year by year, the progress being made based on the timeline submitted in the initial application and what specific actions are going to be taken in the upcoming year. If there has been a change in the initially submitted timeline or any type of delay; these occurrences will need to be addressed in the re-submission. Initial approval of an NPP project is **not** an automatic guarantee of continued support from the Department. Applicants must prepare a new application each year. It is not acceptable to submit the same application for multiple years. Failure to adhere to this stipulation may result in loss of NPP funding for subsequent years.

The subsequent NPP application must include all of the basic requirements listed for the original application. New, updated commitment letters must be secured from each contributor each year. MOU's do not have to be updated each year as long as there has been no major change in the agreement between the applicant and the contributor.

E. Budget

In completing the budget section in the Single Application, the budget must include the NPP Request (in the first column) and any other sources of funds that are needed to undertake the project (remaining columns). The NPP budget column must reflect the total contribution amount (**not the tax credit amount**) expected to be received. Based on this amount, the tax credit amount will be determined.

For example, you received a commitment from a business firm in the amount of \$100,000, the total amount of the application. The NPP budget column should reflect \$100,000. The tax credit award will be calculated from that column at 80% (for a six year or longer commitment—this would be 75% if a five year commitment), for NPP projects. If there is more than one commitment, add up the commitments, which should be the total of the NPP column.

The portion of contributions used for administrative costs and overhead is limited to no more than 10% of the contributions received. Administrative costs generally include salaries and benefits for agency administration, finance/accounting, procurement, building maintenance, etc. as well as travel and office supplies/equipment.

The definition of administrative costs does not include the staff and time related to direct service provision and activities that directly benefit people, support physical improvements, or direct program costs.

F. Budget Justification

Complete a Budget Justification similar to the sample (*Exhibit F*). Please list all budget expenses for the application separating the contribution cost (DCED column) from the other costs needed to fund the entire **project only**. Review the costs provided. Check to make sure they correspond with the proposed project activities and compare to the open line items in the budget for accuracy.

Remember to submit any documentation required to support the budget. This may include job descriptions (for positions being paid under the NAP application), sub contract agreements, leases or construction documentation.

G. Checklist for Application

- Does the application meet the requirements of NPP?
- Completed application on the Single Application System.
- Completed project narrative on the Single Application System (*"Please see attached"* or other statements of a similar nature are not acceptable).
- Narrative: explain the Place, Problem, Project and Proposed Outcomes.
- Was the Community Impact Measures Report completed including the last page (the list of Contributors)?
- Was sufficient documentation submitted to support the NPP project? Partnerships? Needs?
- Was the neighborhood or strategic plan attached?
- Completed time table explaining projects.
- History of program (if subsequent years).
- Success stories, concerns, changes.
- Commitment letters (must be updated yearly).
- MOU's signed and dated? (Only need one if the dates cover the entire commitment period)
- Required proof of other funding sources or collaborations.
- Was data supplied (give references where data was extracted: census track, city code, etc) to support low income, distressed area and the need.
- Were the commitment letters attached?
- Copy of the IRS §501(c)(3) award letter attached?
- Any job descriptions being paid by the NPP attached?
- Any agreements, sub contracts, ownership, lease or sale agreements, bids, quotes or cost estimates attached?
- Were zoning or any special requirements needed to complete the project?
- Is the project budget correct? Does it match with the Budget Justification?
- Any supporting documents that apply to the data collected? Maps? Charts?
- Any letters of support for the project (not required but if you have)?
- Photos, drawings or project descriptions not included in narrative?

Section VIII – Charitable Food Program

A. Introduction

The Charitable Food Program (CFP) assists food banks, pantries, emergency food providers such as soup kitchens and any program that provides food to a target population in a distressed area. The CFP offer a 55% tax credit to commitments on an approved application.

All requirements in Sections I-IV and requirements in this section are part of the application process.

B. Program Requirements

The CFP is accessible for low-income households that demonstrate, in comparison to county and statewide averages, a high incidence of food insecurity as defined by the U.S. Department of Agriculture Food and Nutrition Service:

- **Low food security** – reports of reduced quality, variety, or desirability of diet. Little or no indication of reduced food intake.
- **Very low food security** – Reports of multiple indications of disrupted eating patterns and reduced food intake.

Contributions of food must be recorded on the NAP In-Kind Food Donations form attached to these guidelines (Exhibit H) and this form must be included when the application for tax credits is submitted by the donor. The value of all food donations must adhere to the cost per pound amounts listed on the form. Tax credits will only be calculated based on the information provided on this form. Further, all contributions of food must be as specific as possible as to what is being contributed to the applicant. For example, if a contributor donates five boxes of food to the applicant it must be specified as to what was in those five boxes. The Department reserves the right to deny any contribution that does not adhere to these requirements. It is the responsibility of the applicant to make sure all of their contributors are aware of these guidelines and that their contributors are adhering to them.

Acceptable food contributions for tax credits under the CFP are any food with nutritional value. Items such as candy, soda, snack foods, etc. do not qualify for tax credits under CFP. The Department reserves the right to determine what constitutes a legitimate food contribution under CFP.

Applications may include funds that are needed to support the program. Truck usage, case managers, or purchasing of non- food items or household items (up to a total of 15% of the amount being applied for) are permitted, within reason. Detailed explanation for items other than food is required in the narrative, budget and budget justification.

C. Narrative

The narrative will describe the nonprofit charitable food organization's capability to administer this project, by providing the date of incorporation, the overall mission or purpose of the organization, the primary services delivered by the organization, and the organization's annual budget and staffing.

Included in the narrative is a complete description of the project to be undertaken, which should incorporate the four required elements of: Place, Problem, Project, and Proposed Outcomes. Outcome measures required for charitable food projects shall include the following projected and actual outcomes on a county-wide basis:

- Number of neighborhood, community or targeted area residents served/impacted by project
- Number of pounds of food distributed
- Number of meals provided
- Number of neighborhoods or communities served
- Number and type of neighborhood or community organizations served
- Economic value of the food provided
- Food Insecurity Rates

These specific Charitable Food Program requirements appear in the Charitable Food Program Community Impact Measures Report (*Exhibit A-1*). Specific narrative requirements are explained in *Section I* of these guidelines.

D. Budget

In completing the budget section in the Single Application, the budget must include the CFP Request (in the first column) and any other sources of funds that are needed to undertake the project (remaining columns). The CFP budget column must reflect the total contribution amount (**not the tax credit amount**) expected to be received. Based on this amount, the tax credit amount will be determined. For example, you received a commitment from a business firm in the amount of \$75,000, the total amount of the application, the CFP budget column should reflect \$75,000. The tax credit award will be calculated from that column at 55% for CFP projects. If there is more than one commitment, add up the commitments, which should be the total of the CFP column. The \$75,000 contribution from a business firm will result in a tax credit of \$41,250 for the CFP project. Applicants are responsible for ensuring that the full commitment/contribution amount is accounted for.

The portion of contributions used for administrative costs and overhead is limited to no more than 10% of the contributions received. Administrative costs generally include salaries and benefits for agency administration, finance/accounting, procurement, building maintenance, etc. as well as travel and office supplies/equipment.

The definition of administrative costs does not include the staff and time related to direct service provision and activities that directly benefit people, support physical improvements, or direct program costs.

E. Budget Justification-Sample

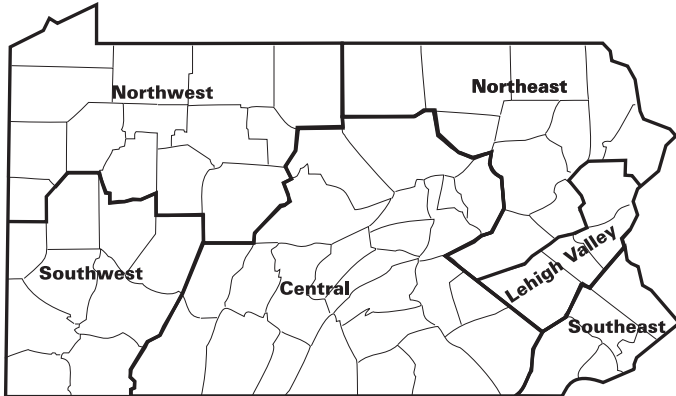
This sample budget justification format is to be used as a guide in preparing your budget justification which details budget costs in the Single Application for Assistance. This sample format for the justification can be used with CFP project budgets (*Exhibit G*). The budget justification should include only those budget categories and line items, which are applicable to your particular type of project, as identified in this CFP section.

F. Checklist for Application

- Does the application meet the requirements of CFP?
- Completed application on the Single Application System.
- Completed project narrative on the Single Application System (*“Please see attached”* or other statements of a similar nature are not acceptable).
- Narrative: explain the Place, Problem, Project and Proposed Outcomes.
- Was the Community Impact Measures Report completed including the last page (the list of Contributors)?
- Was data supplied (give references where data was extracted: census tract, city code, etc.) to support the food insecurities?
- Were the commitment letters (preferred) attached (or a solicitation plan)?
- All proof that will explain “within reason” for line items other than food.
- Copy of §501(c)(3) IRS Determination letter.
- Any position(s) being paid by the CFP? Attach job descriptions.
- Is the project budget correct? Does it match with the Budget Justification?
- Any supporting documents that apply to the data collected? Maps? Charts?
- Photos, drawings or project descriptions not included in narrative?

Regional Offices

Pennsylvania Department of Community and Economic Development dced.pa.gov



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Central

*Adams, Bedford, Blair, Cambria, Centre, Clinton,
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Huntingdon, Juniata, Lancaster, Lebanon, Lycoming,
Mifflin, Montour, Northumberland, Perry, Snyder,
Somerset, Union, and York counties*

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Southwest

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Northwest

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NEIGHBORHOOD ASSISTANCE PROGRAM COMMUNITY IMPACT MEASURES REPORT

GENERAL INFORMATION

APPLICANT:	PROJECT NAME:
SINGLE APPLICATION NUMBER:	FISCAL YEAR:

This form must be completed and submitted twice. The first time is with your original application, which requires that you provide projected outcomes. Organizations that are awarded tax credits will be required to complete the "actual" column of this form at the end of the contract year (the second time) as a means to compare projections against actual accomplishments. At the end of the contract, complete the "actual" column on the original form that contains projected outcomes and submit via e-mail to: ra-dcedocs@pa.gov.

SECTION I: PROJECT ACTIVITY

Please complete the project activity/ies below that apply to your Neighborhood Assistance Program (NAP). These project activities are required for applications for NAP, NAP-NPP, NAP-SPP, and for NAP-EZP.

At the time of application, the "projected" numbers are to be provided and will be used as part of the award assessment process. The "actual" numbers are to be submitted at the end of the contract activity period as noted above.

Project Measures	Projected	Actual	Project Measures	Projected	Actual
# of neighborhood residents served/impacted by project			# of direct jobs created by project		
# of housing units rehabbed by project			# of direct jobs retained by project		
# of housing units constructed by project			# of residents who completed job training		
# of blighted properties cleared by project			# of residents who obtained FT employment as a result of job training		
# of first-time homebuyers served by project			# of residents who obtained PT employment as a result of job training		
# of foreclosures prevented due to intervention			# of residents who completed ESL course		
# of commercial/industrial buildings rehabbed			# of residents who completed ABE/GED curricula		
# of commercial/industrial buildings constructed			# of youth participating in weekend and/or after-school programs		
# of new business start-ups			# of residents receiving food subsidies as part of self-sufficiency programs. (For non-food bank applicants only)		

SECTION II: COMMUNITY IMPACT MEASURES (CIMS)

Capturing activity details is the first step necessary to identifying the impact that a project has on the community in which it occurs. The project activities captured in Section I should be used toward producing the Community Impact Measures, which provide the actual change/s that has occurred, the results and effectiveness of the investment of NAP tax credits for your project.

Enter the Community Impact Measures for your project below, as appropriate. NOTE: The "actual" column will reflect details at the end of the contract period and should not be included at the time of application.

Impact Measures	Inception	Projected	Actual
Items Required for All NPP Applications			
Homeownership Rate			
Median Property Value			
Residential Vacancy Rate			
Items Required for All EZP Applications			
* "Quality Jobs" means jobs paying more than minimum wage with benefits (healthcare, retirement, etc.)			
Tax Credits per Total Jobs (created & retained)	N/A		
Number of Quality Jobs* Created	N/A		
Number of Quality Jobs* Retained			

SECTION II: COMMUNITY IMPACT MEASURES (CIMS) *cont'd*

Impact Measures	Inception	Projected	Actual
Other Community Impact Measure to Support Project			
Median Property Value			
Business Property Vacancy Rate			
Poverty Rate			
Crime Rate			
School Drop Out Rate			
High School Graduation Rate			
Unemployment Rate			
State/Local Taxes ¹			
Abated Taxes ²			
Other Community Impact Measures to Support Project Proposed by Applicant			
1.			
2.			
Required for Food Bank Applicants Only <i>in addition to other applicable Community Impact Measures</i>			
# served who are participating in self-sufficiency programs such as financial/budget counseling, employment and training, and/or family savings account, first time homebuyer etc.			
# served who would have been required to make a choice between food or other expenses such as medical care, utility payments, etc.			
# of neighborhood residents served/impacted by the project			
Of the total listed above, # served who are long term recipients of food subsidies (more than 6 months)			
<p>¹ For site-specific construction or rehabilitation/redevelopment projects include all state and local taxes collected as a result of business and/or residential activity at that site.</p> <p>The state taxes should include:</p> <ul style="list-style-type: none"> • Earned income from workers, • Corporate/business taxes including Corporate Net income Taxes, Capital Stock & Foreign Franchise Tax, Personal income Tax (for Subchapter S. Partnership or Proprietorships), Sales & Shares Tax, Mutual Thrift institutions Tax, Insurance Premiums Tax (see next measure regarding any abated taxes), and • Sales taxes. <p>The local taxes should include taxes collected at the county, municipal, and school district levels:</p> <ul style="list-style-type: none"> • Property taxes (see next measure regarding any abated taxes), • Earned income from workers, • Business taxes including Net Profits Tax, Business Gross Receipts, Business Occupancy, Business Privilege and Mercantile Taxes (see next measure regarding any abated taxes), and • Sales taxes. <p>Exclude any property taxes from any properties that are in tax foreclosure or that have tax arrearages dating back more than one year. These amounts should be excluded from the Inception column.</p> <p>² In completing answers for state/local taxes measure above, do not include any abated taxes. Include all state and local taxes abated in the "Abated Taxes" measure. The amount in the "Inception" column should be the most recent year total prior to project start.</p> <p>Exclude any property taxes from properties that are in tax foreclosure or that have tax arrearages dating back more than one year. These amounts should be excluded from the "Inception" column.</p>			

SECTION III: BUSINESS CONTRIBUTORS

Section III Instructions: This section is to be completed with the second submission of this report, no later than October 15, when all "Actual" data is reported.
This section should include actual contributions received as of June 30th of the year of the award.

Contributor Name & Address	Date of Contribution	Amount of Contribution



NEIGHBORHOOD ASSISTANCE PROGRAM / CHARITABLE FOOD PROGRAM COMMUNITY MEASURES REPORT

EXHIBIT A-1

GENERAL INFORMATION

APPLICANT:	PROJECT NAME:
SINGLE APPLICATION NUMBER:	FISCAL YEAR:

This form must be completed and submitted twice. The first time is with your original application, which requires that you provide projected outcomes. Organizations that are awarded tax credits will be required to complete the "actual" column of this form at the end of the contract year (the second time) as a means to compare projections against actual accomplishments. At the end of the contract, complete the "actual" column on the original form that contains projected outcomes and submit via e-mail to: ra-dcedocs@pa.gov.

SECTION I: PROJECT ACTIVITY

Please complete the project activity/ies below that apply to your Neighborhood Assistance Program (NAP) Charitable Food Program (CFP).

At the time of application, the "projected" numbers are to be provided and will be used as part of the award assessment process. The "actual" numbers are to be submitted at the end of the contract activity period as noted above.

Project Measures	Projected	Actual
# of neighborhood residents served/impacted by project		
# of pounds of food distributed		
# of meals provided		
# neighborhoods or communities served		
# and type of neighborhood or community organizations served		
Economic value of the food provided		

SECTION II: COMMUNITY IMPACT MEASURES (CIMS)

Capturing activity details is the first step necessary to identifying the impact that a project has on the community in which it occurs. The project activities captured in Section I should be used toward producing the Community Impact Measures, which provide the actual change/s that has occurred, the results and effectiveness of the investment of NAP tax credits for your project.

Enter the Community Impact Measures for your project below, as appropriate. NOTE: The "actual" column will reflect details at the end of the contract period and should not be included at the time of application.

Impact Measures	Inception	Projected	Actual
Items Required for All NPP Applications			
Food Insecurity Rate			

**NEIGHBORHOOD ASSISTANCE PROGRAM
ANNUAL REPORT****EXHIBIT A-2**

Please complete the Neighborhood Assistance Program Annual Report (Annual Report) for your project/program.
This form must be completed and submitted at the end of the contract period.
Complete this form and submit electronically to ra-dcedocs@state.pa.us.

GENERAL INFORMATION

APPLICANT:	PROJECT NAME:
CONTRACT NUMBER:	FISCAL YEAR:

PLACE-BASED, NEIGHBORHOOD OUTCOME

Has the place-based, neighborhood outcome(s) submitted with your application, been met? If YES, please state how. If NO, please explain how you are working towards achieving this place-based, neighborhood outcome.

PROJECT GOALS (MEASUREMENTS)

Have the project goals (measurements), as submitted with your application, been met? If YES, please explain how. If NO, please explain how you are working towards achieving these goals/measurements.

FINANCIAL INFORMATION

From whom have you secured contributions? Has each of the business firms' commitments been secured AND expended?
Please respond for each commitment.

FINANCIAL INFORMATION *(cont'd)*

Has each of the business firms applied to the Department of Community & Economic Development (DCED) for the approved tax credits?
Please respond for each commitment.

ADDITIONAL INFORMATION

Provide additional comments/information below that will aide the DCED in evaluating the progress of your project and place-based outcome.



Pennsylvania Neighborhood Assistance Program

Tax Benefits for Business Firms

Corporate Net Income Tax Benefit

	NAP 55% Credit	Corporate Foundation	NAP 75% Credit	Corporate Foundation	NAP 80% Credit	Corporate Foundation
Contribution	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	–	(150,000)	–	(160,000)	–
Net Cash Outlay before Tax Costs/(Benefits)	90,000	200,000	50,000	200,000	40,000	200,000
Federal Tax Benefit of Contribution						
Contribution X Federal Rate	70,000	70,000	70,000	70,000	70,000	70,000
Reduction of State Tax Costs						
NAP Tax Credit X Federal Rate	(38,500)	–	(52,500)	–	(56,000)	–
Net Federal Tax Benefit of Contribution	31,500	70,000	17,500	70,000	14,000	70,000
State Tax Benefit of Contribution						
Contribution X State Rate	19,980	19,980	19,980	19,980	19,980	19,980
Reduction of Federal Tax Costs						
State Tax Benefit X Federal Rate	(6,993)	(6,993)	(6,993)	(6,993)	(6,993)	(6,993)
Net State Tax Benefit of Contribution	12,987	12,987	12,987	12,987	12,987	12,987
Net Cash Outlay after Tax Benefits	\$45,513	\$117,013	\$19,513	\$117,013	\$13,013	\$117,013
Cost Per \$100	\$23	\$59	\$10	\$59	\$7	\$59
NAP Tax Credit Additional Tax Benefit	\$71,500		\$97,500		\$104,000	

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%
State Corporate Net Income Tax Rate: 9.99%

For more information, contact | Pennsylvania Department of Community and Economic Development
Commonwealth Keystone Building | 400 North St., 4th FL | Harrisburg, PA 17120-0225

866.466.3972 | dced.pa.gov



“S” Corporation, Partnership & LLC - Pass-Through Entities Personal Individual Income Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay before Tax Costs/(Benefits)	90,000	50,000	40,000
Federal Tax Benefit of Contribution Contribution X Federal Rate	70,000	70,000	70,000
Reduction of State Tax Costs NAP Tax Credit X Federal Rate	(38,500)	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
State Tax Benefit of Contribution Contribution X State Rate	6,140	6,140	6,140
Reduction of Federal Tax Costs State Tax Benefit X Federal Rate	(2,149)	(2,149)	(2,149)
Net State Tax Benefit of Contribution	3,991	3,991	3,991
Net Cash Outlay after Tax Benefits	54,509	28,509	22,009
Cost Per \$100	\$27	\$14	\$11

TAX ASSUMPTIONS

Federal Income Tax Rate: 35%
State Personal Income Tax Rate: 3.07%

Capital Stock / Foreign Franchise Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution Contribution X Federal Rate	70,000	70,000	70,000
Reduction of State Tax Costs NAP Tax Credit X Federal Rate	(38,500)	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 2.89 mills

Tax Base: Capital Stock Value

Entities subject to Capital Stock / Foreign Franchise Tax:

- > Corporation
- > “S” Corporation
- > Limited Liability Company (LLC)

Bank and Trust Company Shares Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution Contribution X Federal Rate	70,000	70,000	70,000
Reduction of State Tax Costs NAP Tax Credit X Federal Rate	(38,500)	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 1.25%

Tax Base: Capital Stock Value (6 Year Average)

Entities subject to Bank and Trust Company Shares Tax:

> Banks and Trust Companies

Title Insurance Shares Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution Contribution X Federal Rate	70,000	70,000	70,000
Reduction of State Tax Costs NAP Tax Credit X Federal Rate	(38,500)	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 1.25%

Tax Base: Capital Stock Value (6 Year Average)

Entities subject to Title Insurance Shares Tax:

> Domestic Title Insurance Companies

Gross Premiums Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution	Contribution X Federal Rate	70,000	70,000
Reduction of State Tax Costs	NAP Tax Credit X Federal Rate	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 2.00%

Tax Base: Gross Insurance Premiums**

Entities subject to Gross Premiums Tax:

> Insurance Companies

Exempt: Title Insurance Companies subject to Title Insurance Shares Tax

** Includes Fire, Casualty, Title, Life, Accident & Health Insurance Premiums

Mutual Thrift Institutions Tax Benefit

	55% Credit	75% Credit	80% Credit
Contribution	\$200,000	\$200,000	\$200,000
NAP Tax Credit	(110,000)	(150,000)	(160,000)
Net Cash Outlay	90,000	50,000	40,000
Federal Tax Benefit of Contribution	Contribution X Federal Rate	70,000	70,000
Reduction of State Tax Costs	NAP Tax Credit X Federal Rate	(52,500)	(56,000)
Net Federal Tax Benefit of Contribution	31,500	17,500	14,000
Net Cash Outlay after Tax Benefits	58,500	32,500	26,000
Cost Per \$100	\$29	\$16	\$13

TAX ASSUMPTIONS

Federal Corporate Income Tax Rate: 35%

Tax Rate: 11.50%

Tax Base: Net Earnings

Entities subject to Mutual Thrift Institutions Tax:

> Savings Institutions

> Savings Banks

> Savings and Loan Associations

> Building and Loan Associations

Submit tax credit forms in triplicate

Attach proof of contribution (See Number 10)

Obtain copy of Project Approval Letter

Check amounts and dates

APPLICATION NUMBER:

APPROVED MAXIMUM CREDIT:

APPROVING AUTHORITY:

DATE:

1. APPLICANT'S NAME:

2. ADDRESS:

3. CONTACT PERSON:

4. TELEPHONE NUMBER:

4A. E-MAIL ADDRESS:

5. QUALIFIED EXPENDITURES (CONTRIBUTION):

\$

6. TYPE OF TAX:

7. TAX CREDIT REQUEST:

\$

8. TAXPAYER IDENTIFICATION NUMBER:

9. NAME OF NAP APPROVED PROJECT:

ESA APPLICATION NUMBER:

DATE OF CONTRIBUTION: _____

DCED AGREEMENT NUMBER:

10. PROOF OF CONTRIBUTION:

☐ Check - A copy of a CANCELLED CHECK☐ Equipment and/or Supplies☐ Job Training☐ Real Estate☐ Technical Assistance

I, _____, _____ of

Name of Officer Title

_____ hereby affirm under penalties prescribed by

Name of Firm

law that this application has been examined by me and to the best of my knowledge and belief, the information is true, correct and complete.

Date of Affirmation _____

Signature _____

PA Revenue Tax Box Number or other Tax Identification Number is MANDATORY for application to be processed.

APPLICATION FOR TAX CREDIT UNDER THE NEIGHBORHOOD ASSISTANCE ACT

GENERAL INSTRUCTIONS

- A. **WHO MUST FILE:** In order to obtain the tax credit authorized under the Neighborhood Assistance Program, business firms must submit this Application for approval.
- B. **WHEN TO FILE:** Application must be filed with the Department of Community and Economic Development within six months after the contribution period of the approved project. Contributors will still have five years in which to use the tax credit.
- C. **SIGNATURE AND MAILING:** The application must be signed by an authorized officer of the applicant. An original and two (2) copies must be mailed to the Department of Community and Economic Development, 400 North Street, Commonwealth Keystone Building, 4th Floor, Harrisburg, PA 17120-0225.
- D. **SEPARATE APPLICATIONS:** A separate application must be submitted for each project and program year.
- E. **CLAIMING TAX CREDIT:** You will receive a copy of the approved tax credit application; attach same when filing your tax return with the Pennsylvania Department of Revenue.

SPECIFIC INSTRUCTIONS

- Item 1: Indicate exact name of business firm.
- Item 2: Indicate address to which correspondence concerning this application is to be directed.
- Item 3: Person to be contacted if additional information is needed.
- Item 4: Telephone number of contact person; 4a. E-mail address of contact person.
- Item 5: Indicate contribution made to this project.
- Item 6: Indicate the type of tax. Applicable Taxes: **Corporations** - CNI or Capital Stock/Franchise; **Banks** - Shares; **Insurance Companies** - Gross Premiums; **Savings and Loans** - Mutual Thrift.
- Item 7: Indicate the tax credit requested for this contribution.
- Item 8: Indicate PA Revenue Tax Box Number as assigned by the Department of Revenue, the Federal Employer Identification Number (FEIN) or the Social Security Number (SSN) of the Applicant.
- Item 9: Indicate name of NAP approved project, contract number and the date of contribution.
- Item 10: Proof of contribution: provide and attach one of the following:
 - a. **Cash Contributions:**
If a contribution was made to a specific program that was approved under this project, sponsored by an organization that conducts many varied programs, checks must be made payable to the organization and noted specifically for the NAP project. Photo copy of front and back of cancelled check made payable to the approved project must be attached to tax credit application.
 - b. **Equipment and/or Supplies Contributions:**
Copy of invoice signed by NAP project official. Invoice must reflect the retail cost and net outlay of the contributor. Tax credits will be granted on the net cost only.
 - c. **Job Training:**
Include name, address, Social Security Number, wages paid to each trainee and any approved costs incurred.
 - d. **Real Estate Contribution:**
Copy of Deed. Two (2) independent appraisals.
 - e. **Technical Assistance:**
Signed statement itemizing time/rate spent on the project, signed by employee and employer.



APPLICATION TO SELL OR ASSIGN TAX CREDITS UNDER THE NEIGHBORHOOD ASSISTANCE ACT

IMPORTANT

Submit tax credit forms in triplicate

Submit all required signatures

Taxpayer Identification is mandatory

Check amounts and dates

FOR DEPARTMENTAL USE ONLY

APPLICATION NUMBER:

APPROVED TO SELL MAXIMUM CREDIT:

APPROVING AUTHORITY:

DATE:

GENERAL INFORMATION

1. SELLER'S NAME:

2. ADDRESS:

3. CONTACT PERSON:

4. TELEPHONE NUMBER:

5. E-MAIL ADDRESS:

6. AMOUNT TO SELL OR ASSIGN:

\$

7. TYPE OF TAX:

8. TAXPAYER IDENTIFICATION NUMBER:

9. AUTHORIZED SIGNATURE OF SELLER:

I, _____, _____ of

Name of Officer Title or Affiliation

_____ hereby affirm under penalties prescribed by

Name of Firm

law that this application has been examined by me and to the best of my knowledge and belief, the information is true, correct and complete.

Date of Affirmation

Signature of Seller

10. PROSPECTIVE BUYER NAME:

TAXPAYER IDENTIFICATION NUMBER:

11. ADDRESS:

12. CONTACT PERSON:

13. TELEPHONE NUMBER:

14. E-MAIL ADDRESS:

15. SIGNATURE OF AUTHORIZED BUYER:

I, _____, _____ of

Name of Officer Title or Affiliation

_____ hereby affirm under penalties prescribed by

Name of Firm

law that this application has been examined by me and to the best of my knowledge and belief, the information is true, correct and complete.

Date of Affirmation

Signature of Buyer

APPLICATION TO SELL OR ASSIGN TAX CREDITS UNDER THE NEIGHBORHOOD ASSISTANCE ACT

GENERAL INSTRUCTIONS

- A. **WHO MUST FILE:** In order to sell the tax credit authorized under the Neighborhood Assistance Program, sellers and buyers must submit this Application for approval.
- B. **WHEN TO FILE:** Application to sell tax credits must be filed with the Department of Community and Economic Development if no claim for the allowance of the credit is filed within one year from the date the credit is granted by the Department of Revenue. The buyer must use the credits in the tax year in which the purchase is made.
- C. **SIGNATURE AND MAILING:** The application must be signed by an authorized officer of the seller and buyer. An original and two (2) copies must be mailed to the Department of Community and Economic Development, 400 North Street, Commonwealth Keystone Building, 4th Floor, Harrisburg, PA 17120-0225.
- D. **SEPARATE APPLICATIONS:** A separate application must be submitted for each request.
- E. **CLAIMING TAX CREDIT:** You will receive a copy of the approved tax credit application; attach same when filing your tax return with the Pennsylvania Department of Revenue.

SPECIFIC INSTRUCTIONS

- Item 1: Indicate exact name of seller. Use the name on record with the PA Department of Revenue unless that on-file information has been changed and is no longer valid.
- Item 2: Indicate address to which correspondence concerning this application is to be directed, as related to Item 1.
- Item 3: Person to be contacted if additional information is needed.
- Item 4: Telephone number of contact person.
- Item 5: E-mail address of contact person.
- Item 6: Indicate tax credit being sold.
- Item 7: Indicate the type of tax. Applicable Taxes: Bank and Trust Company Shares; Capital Stock/Franchise; Corporate Net Income Tax; Gross Premiums; Mutual Thrift; Personal Income Tax; Title Insurance Company Shares.
- Item 8: Indicate PA Revenue Tax Box Number as assigned by the Department of Revenue, the Federal Employer Identification Number (FEIN) or the Social Security Number (SSN) of the seller.
- Item 9: Indicate name, title and firm who is authorizing the sale by signature.
- Item 10: Indicate name buyer. Use the name on record with the PA Department of Revenue unless that on-file information has been changed and is no longer valid. Indicate the buyer's Taxpayer Identification Number.
- Item 11: Indicate address to which correspondence concerning this application is to be directed, as related to Item 1.
- Item 12: Person to be contacted if additional information is needed.
- Item 13: Telephone number of contact person.
- Item 14: E-mail address of contact person.
- Item 15: Indicate the name, title and firm (if applicable) who is authorizing the purchase by signature.



*Happy Valley Bank
1234 Main Street
Downtown, PA 00000*

April 1, 2015

To Whom It May Concern:

On behalf of Happy Valley Bank, I would like to affirm our commitment of \$50,000.00 for fiscal year 2015-2016 to the Southside Community Development Corporation of Downtown, Pennsylvania.

We understand that this will be considered under the Neighborhood Assistance Program and would receive 55% in state tax credits on this amount, if the application is approved.

We look forward to our continued support of the neighborhood revitalization program in the Southside community.

Sincerely,

W.E. Coyote
CFO
Happy Valley Bank

Sample Budget Justification

This sample budget justification format is to be used as a guide in preparing your budget justification, which details Neighborhood Assistance Program (NAP) budget costs in the Single Application for Assistance. This sample format for the justification can be used with all NAP project budgets. The budget justification should include only those budget categories and line items that are applicable to your particular type of project as identified in this addendum.

Acquisition – List the cost of land and the buildings to be purchased or contributed in-kind at fair market value.

Example:

	<u>DCED Cost</u>	<u>Other Cost</u>
Land	\$ 40,000	\$ – 0 –
Total	\$ 40,000	\$ – 0 –

General Construction – List New Construction and Renovation costs. List such items as electrical, heating, plumbing, material, supplies, etc.

Example:

	<u>DCED Cost</u>	<u>Other Cost</u>
New Construction		
Electrical	\$ 5,000	\$ 2,000
Heating	7,000	6,000
Plumbing	<u>4,000</u>	<u>1,500</u>
Total	\$ 16,000	\$ 9,500
Renovations		
Materials	\$ 25,000	\$ 30,000
Supplies	<u>10,000</u>	<u>15,000</u>
Total	\$ 35,000	\$ 45,000

Infrastructure/Site Preparation – List such items as roads and streets, parking, water/sewer, utilities, demolition, excavation/grading and environmental cleanup.

Example:

	<u>DCED Cost</u>	<u>Other Cost</u>
Parking	\$ 3,500	\$ 6,500
Utilities - \$100/month x 12 months	4,000	8,000
Demolition	<u>10,000</u>	<u>4,000</u>
Total	\$ 17,500	\$ 18,500

Machinery & Equipment – List all equipment, other than office equipment, that will be obtained and used in the proposed project.

Example:

	<u>DCED Cost</u>	<u>Other Cost</u>
1 Trash Compactor @ \$200	\$ 100	\$ 100
2 Sets of Walkie Talkies @ \$100 each	100	100
3 Shelving Units @ \$50 each	<u>50</u>	<u>100</u>
Total	\$ 250	\$ 300

Note: See note under office equipment.

Operating Costs/Working Capital – List salaries and fringes of all full and part-time staff, training and technical assistance costs, consumable supplies, travel costs, office equipment, space costs and audit costs.

Example:

SALARIES

<u>Number of Persons</u>	<u>Title</u>	<u>Hourly Rate</u>	<u>Hours on Project</u>	<u>Total</u>	<u>DCED Cost</u>	<u>Other Cost</u>
1	Project Manager	\$16.00	2080	\$33,280	\$15,000	\$18,280
1	Admin. Assistant	12.00	1040	12,480	6,000	6,480

Note: Salaries should be established at the prevailing rates for similar agencies in your community. Include any increments established by your personnel policies and procedures. Job descriptions for any positions for which DCED funding is requested must be attached.

	<u>DCED Cost</u>	<u>Other Cost</u>
Fringe Benefits @ 32%	\$ 11,406	\$ 7,923
Total Salaries and Fringes	\$ 32,406	\$ 32,683

Note: For temporary or part-time employees working less than six (6) months or less than twenty (20) hours per week, only those fringe benefits required by law will be eligible for Department reimbursement.

TRAINING & TECHNICAL ASSISTANCE

	<u>DCED Cost</u>	<u>Other Cost</u>
Conference Registration 2 @ \$100 each.	\$ 100	\$ 100
Computer Training 2 @ \$150 each	<u>150</u>	<u>150</u>
Total	\$ 250	\$ 250

CONSUMABLE SUPPLIES

	<u>DCED Cost</u>	<u>Other Cost</u>
Office Supplies @ \$50/mo. x 12 months	\$ 200	\$ 400
Total	\$ 200	\$ 400

TRAVEL

	<u>DCED Cost</u>	<u>Other Cost</u>
Local Travel		
100 miles/month @ .36 mile x 12 months.	\$ 200	\$ 232
Out of Town Travel		
Subsistence @ \$28 x 6 days	\$ 68	\$ 100
Total	\$ 268	\$ 332

Note: Separate local and out of town travel and itemize by each cost.

OFFICE EQUIPMENT

	<u>DCED Cost</u>	<u>Other Cost</u>
2 computers @ \$1,500 each	\$ 1,500	\$ 1,500
1 desk @ \$500	250	250
1 chair @ \$100	50	50
1 file cabinet @ \$250	100	150
Total	\$ 1,900	\$ 1,950

Note: Any purchase of goods or services of \$10,000 or more must be supported by three (3) competitive bids. These bids, or a statement that bids will be obtained prior to the purchase of equipment, must be submitted with the application.

If equipment is to be obtained through NAP tax credits, a statement to that effect must be included on the budget justification.

SPACE COSTS

	<u>DCED Cost</u>	<u>Other Cost</u>
200 sq. ft. @ \$10/sq. ft.	\$ 2,000	\$ - 0 -
Maintenance @ \$100/month x 12 months	1,000	\$ 200
Total	\$ 3,000	\$ 200

Note: List all facilities to be charged to this project. Costs for space owned by the applicant are not reimbursable.

	<u>DCED Cost</u>	<u>Other Cost</u>
Audit	\$ 500	\$ 500
Total	\$ 500	\$ 500

Note: Include the cost for auditing this contract, whether from Department funds or another funding source. ONLY NAP projects of \$100,000 (\$50,000 or more in tax credits) must be audited.

Related Costs – Include paid professional services/consultants that are not compatible with the hiring of a full time staff person. List items such as engineering, inspections, fees, insurance, environmental assessment, legal costs, closing costs and other. “Other” includes items such as telephone, postage and vehicle maintenance.

Example:

	<u>DCED Cost</u>	<u>Other Cost</u>
Consultant Services - 50 hours @ \$75/hour	\$ 1,750	\$ 2,000
Insurance	<u>250</u>	<u>150</u>
Subtotal	\$ 2,000	\$ 2,150
Other -		
Telephone - \$90/month x 12.	\$ 580	\$ 500
Postage - \$25/month x 12	150	150
Vehicle Maintenance.	<u>300</u>	<u>450</u>
Subtotal	\$ 1,030	\$ 1,100
Total	\$ 3,030	\$ 3,250

Note: Consultant services of \$10,000 or more must receive prior written approval from the Department. A written contract is required for all contracted services. A copy of the proposed contractual agreement must be included with your application.

	<u>DCED Cost</u>	<u>Other Cost</u>
GRAND TOTAL	\$ 142, 298	\$ 106, 542

Example of an MOU

Memorandum of Understanding/Business and Community Partnership Agreement

Between

Business Name

And

Non- Profit Organization

INTRODUCTION

This Memorandum of Understanding/Partnership Agreement made this ____ day of ____ 20XX represents a working agreement between:

The Name of the Non-Profit (hereinafter referred to as _____), a non-profit community-based organization serving the neighborhoods of _____ and covering an area bounded by ____ Street to the _____.

Name of Business (hereinafter referred to as _____), a full-service financial institution serving Communities in the _____ region and beyond.

The purpose of this Memorandum of Understanding/Community Partnership Agreement (hereinafter referred to as "Agreement", is to provide a framework for an effective working relationship and collaboration between the two entities in to support the ongoing revitalization of the many neighborhood that comprise _____ service area, and to facilitate a range of community development investments needed to sustain such revitalization. In this regard, this MOU serves as a basis upon which:

general and specific commitments of financial and "in-kind" resources by Name of the Business to the Name of the Non-Profit Organization in the Five or Six Year period from July 1, 20XX to June 30, 20XX can be developed and agreed to; and

general and specific investments by **Name Business to Name Non-Profit** can be defined and delivered to assist **Name of Non-Profit** in meeting the physical, economic, and quality –of life goals represented in its Years of the Strategic Neighborhood Plan.

I. Guiding Principles

Each entity recognizes that the other is prepared to commit a unique set resources to this working relationship and each also acknowledge that the type and level of resources committed to have a

successful collaboration may change over time as opportunities for development in **Name of Non-Profit** service are evolves.

A. About **Name of Non-Profit**

With respect to, its status as a non-profit organization and its history as an established neighborhood-based community development corporation operating in service area enable it to offer and deliver the following resources which are essential to the revitalization of its service area in general and particular project infinitives outlined in their neighborhood strategic plan:

- social capital held by their "stakeholders" – residents, business, and institutions of the neighborhoods comprising the Project Area – in the form of relationships with and knowledge of the community and its many constituencies.
- potential program and project financing available through financial intermediaries, philanthropic organizations and units of local, state and federal government which are committed to supporting **Name of Non-Profit** charitable and socially-motivated missions.

Name of Non-Profit promotes the strategic revitalization of the _____ community in which **Name of Non-Profit** carries out social services and housing activities for homeless families. Founded in _____, **Name of Non-Profit** provides an array of neighborhood assistance projects, education and job training programs to transform _____ into a _____ community.

B. About **Name of Business**

With respect to **Name of Business**, its status as a reputable financial institution, lender and investor enables it to offer and deliver a mix of resources considered essential to the revitalization of urban neighborhoods and to the growth and development of community development corporations charged with such a mission; examples of some these resources include:

- technical expertise to help organizations strengthen their planning, operations, infrastructure, and performance in the area of finance and accounting, personnel management, product development, external affairs, and marketing.
- retail banking and financing services and products in the form of equity, debt, and grants and assistance in identifying similar resources that can augment their own direct investments.

Name of Business is committed and dedicated to serving the needs of its communities through the investment of financial resources and team member participation. Its mission is to meet the credit needs in communities served by the bank while maintaining sound nondiscriminatory standards and, through this mission, build mutually beneficial relationships with customers for the vitality of their communities.

Name of the Business products and services are designed to support first-time homebuyers, affordable rental housing, community and economic development, healthcare and education while creating and supporting jobs and services in low-and moderate-income communities.

In general and through this NPP-supported project **Name of Business** will work closely with **Name of Non-Profit** and the many community based organizations, business leaders, and local government officials on community development initiatives that assist low-and moderate-income communities and their families. This commitment to improve quality of life in communities served by **Name of Business** reflects a commitment and a conviction to "make a difference".

II. Provisions and Commitments

In support of the **Non-Profit and Business** collaboration under the Commonwealth's Neighborhood Partnership Program, the following pledges and commitments are made:

A. Name of Business shall:

Financial

- pledge a minimum of \$50,000.00 in annual cash contributions over a five-year period to support **Name of Non-Profit** administration, operations, and management of its housing, economic, and human /social service programs and existing portfolio.
- remit that pledge in the form of one lump-sum payment at the beginning of each calendar year, subject to **Name of Non-Profit** satisfaction of related reporting requirements referenced herein and within the NPP guidelines.
- at its discretion, make additional cash contributions to benefit this project.

In-Kind

- provide business development support as an in-kind contribution to **Non-Profit** in the following areas that are designed to enhance its operations, management and overall growth and development as a business enterprise, including, but not necessarily limited to:
 - professional development mentoring/consultation
 - accounting, bookkeeping and financial management
 - personnel management

Participation & Engagement

- appoint a senior level representative to serve on an advisory committee that represents the interests of residents, businesses, and organizational and institutional stakeholders in **Name of Non-Profit** project service area; it will be the role of this body to provide general oversight and advice to **Name of Non-profit** senior management and board on the implementation of **Name of Non-profit** Neighborhood Strategic Plan going forward.
- publicize the nature and extent of **Name of Business** support to **Name of Non-profit** and information about **Name of Non-profit** mission within the business and through appropriate marketing events and materials demonstrating the unique collaboration between "business and community".
- meet quarterly with **Name of Non-Profit** senior management team comprised of **Names of Senior Management Team** to review the performance of the specific projects, assess the general working relationships and potential new opportunities brought about through this NPP collaboration, and determine the need for any refinements or amendments to the terms of this Agreement based on the first two activities.

B. Non-Profit shall:

Financial

- receive and fully account for the \$50,000.00 yearly cash contributions received from **Name of Business** over the five or six year period.
- issue financial and narrative reports to **Name of Business** on a quarterly basis confirming the proper appropriation of and benefits such resources with respect to the approved NPP application.
- issue an on-line financial and narrative report to **Name of Business** on an annual basis confirming the proper appropriation of and benefits of such resources with respect to the approved NPP application.

In-Kind

- facilitate the delivery and use of the business development support service referenced herein by **Name of Non-Profit** managers and staff to help enhance **Name of Business** internal operations, management and overall growth and development as a business enterprise.
- publicize and recognize **Name of Business** support to **Name of Non-Profit** in project-related materials, press releases, signage at project sites, and other

appropriate media demonstrating the unique collaboration between "business and community".

Participation & Engagement

- meet quarterly with **Name of Business** senior manager designated as to work directly on this NPP-sponsored project on the items described above.
- provide **Name of Business** with a detail timetable for the completion of key project components and activities and their anticipated/expected outcomes or impacts that fall under the NPP supported project.

C. Business and Non-Profit shall:

- review their own and each other's performance under this agreement to assess the extent to which sufficient process is being made to justify the commitments of financial resources, in-kind resources, and overall effort to achieve the goals under NPP. Any refinements or changes to this agreement in spirit or in deed must be agreed to by both parties.
- in the event the joint or individual review of performance suggests termination of the agreement by mutual consent, a formal termination letter referencing the "lack of performance and recommended action" shall be drafted, fully executed, and delivered to the appropriate representative of **Name of Non Profit, Name of Business**, and DCED. The termination letter shall reference any services, products, resources owed by one party to the other and acknowledged by both, and a corresponding timetable for remittance of such debt.

III. Concurrence

Name of Non-Profit and Name of Business are in mutual agreement with the principles, terms and spirit of this MOU/Agreement and prepared to proceed with this NPP-supported project as outlined above.

Name of Non-Profit

By: _____ Signature _____ Date _____
Title

Name of Business

By: _____ Signature _____ Date _____
Title

CHARITABLE FOOD PROGRAM IN-KIND FOOD DONATIONS WORKSHEET

Nap Project			
Contributor			
Date(s) of Donation			
Donated Value	\$ -	Tax Credit Value	\$ -

Tax credits are equal to 55% of the donated value. We expect these donations will qualify under the Neighborhood Assistance Program. If these figures do not correspond with your records, please call:

Project Contact Person	Telephone Number
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How Your Donation is Valued

<u>Category of Food (quantity in lbs.)</u>	<u>Cost Per Lb.</u>	<u>No. of Lbs.</u>	<u>Tot. Allowable Cost</u>
Assorted Grocery Items	\$0.87	-	-
Bakery Items	\$0.51	-	-
Produce	\$0.53	-	-
Dairy Products	\$0.89	-	-
Frozen Items	\$0.82	-	-
Frozen Meats	\$1.49	-	-
Canned Vegetables/Beans	\$0.27	-	-
			\$
		TOTAL	-

Declared Production Cost

<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Retail Cost</u>	<u>Unit Production Cost</u>	<u>Amount</u>
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					-
					\$
			TOTAL		-

Agency Authorized Signature

Date