

Close Out Guide for the Redevelopment Tax Credit Program

In order to close out a Redevelopment Tax Credit program contract and receive a final tax certificate ("Tax Benefits"), you must submit all required documentation to the Program Manager. A checklist of all required documentation is provided in the contract and can also be found on IEDA's website at the following link: opportunityiowa.gov/community/revitalization/redevelopment-tax-credits. This document provides additional details about the process that are not contained in that checklist. The documentation is intended primarily to demonstrate that the entity named on the contract ("Recipient") has incurred and paid expenses associated with the redevelopment project in accordance with the application for the tax credit and the contract between the Recipient and IEDA ("Contract").

Please provide one sided hard copies of all the following:

Written Certification Statement

A written certification signed by an authorized representative of the Recipient (entity named in the contract) must be submitted. The statement must certify all of the following (verbatim):

1. All work for which Tax Benefits are being requested has been completed;
2. Such work conforms to and complies with any applicable specifications, terms, requirements, and provisions contained in the Contract, including but not limited to Exhibit A (the Recipient's Application) and Exhibit B (Description of the Project);
3. All costs and expenses submitted by Recipient have been incurred and paid by Recipient in accordance with the terms and provisions of the Program and the Contract, including but not limited to Exhibit A (the Recipient's Application) and Exhibit B (Description of the Project);
4. All costs and expenses submitted by Recipient are: (a) allowable and eligible for Tax Benefits;
5. All such submitted costs and expenses have been paid timely in accordance with the terms of any applicable agreements, contracts, or other documents;
6. Recipient has complied with and continues to be in compliance with all terms and provisions of the Contract, and Recipient has not breached or violated any term or provision of the Contract; and all information provided in the Schedule of Project Expenses form, supporting documentation, and

this written certification is true, accurate, and complete.

Articles of Incorporation or Articles/Certificate of Organization

Certified copies of the articles of incorporation, articles of organization, or certificate of organization for the entity listed on the contract, whichever applies.

Certificate of Existence.

A copy of a certificate of existence from the State in which the entity is incorporated or organized as well as a certificate of authority documenting the business is authorized to do business in Iowa.

Solid or Hazardous Waste Audit.

To comply with Iowa Code section 15A.1(3)"b," you must submit one of the following: a) a copy of your existing in-house plan to reduce the amount of waste and safely dispose of the waste based on an in-house audit conducted within the past 3 years; b) an outline of a plan to be developed in-house (this can be in narrative form on company letterhead, for example); or c) documentation that you have authorized the Iowa Department of Natural Resources or Iowa Waste Reduction Center to conduct the audit.

Release Form – Confidential Tax Information.

A signed Authorization for Release of Confidential State Tax Information form as found on the IEDA to permit IEDA to receive your state tax information directly from the Iowa Department of Revenue for the purpose of evaluation and administration of tax credit programs and other state financial assistance programs.

Release Form – Due Diligence.

A signed and fully completed Due Diligence Certification and Release of Information Form as found on the IEDA website to permit IEDA to conduct due diligence checks on the entity under contract. IEDA requires due diligence checks on all awardees at contract and at close out.

Schedule of Claimed Expenses and Supporting Documentation.

A completed Schedule of Claimed Expenses using the Exhibit C, Schedule of Claimed Expenses form as found on the IEDA website and all supporting documentation for those expenses. The Exhibit C lists Vendor and amount(s) by category and needs to reflect all claimed invoices and proofs of payment that are submitted. If you have questions about costs you believe to qualify that do not fit within the categories listed on the Exhibit C, please reach out to the Program Manager to discuss how to list these costs. Supporting documentation includes copies of all claimed expenses and proofs of payment.

Non-qualifying costs include:

- Snow removal
- Lawn maintenance

- Non-permanent landscaping (annuals, décor, non-movable pots, etc.)
- Temporary signage
- Appliances
- Utility payments
- Internet bills and network related hardware
- Interest expenses
- Property taxes
- Insurance payments
- Payroll expenses and associated costs to administer payroll
- Accounting costs
- Non-arms-length transactions as defined in contract 3.5(c).

Copies of invoices and proofs of payment should be organized in a manner such that an auditor could match each invoice to the list of qualifying expenses by vendor. If a group of any given vendor invoices is paid by a single check it should be clearly indicated. Proofs of payment may include copies of cancelled checks to the vendor in the amount of the corresponding invoice, lien waivers that have been signed and dated by the vendor, or bank statements that show checks written to vendors. If you have questions if something will be accepted as proof of payment, please reach out to the Program Manager. All submitted supporting documentation must demonstrate qualifying costs for your redevelopment project that fall during the contract dates.

An audit report from an independent Certified Public Accountant licensed to practice in Iowa. For this program, this audit report is more accurately called a cost certification. The CPA must determine and certify the amount of qualifying expenses from the submitted claimed expenses. The CPA must further certify that all qualifying expenses were incurred and paid by the Recipient within the timeframe established in the contract, that expenses were directly related to the project (as defined in application and contract) and that qualifying expenses include only the acquisition, cleanup, and redevelopment of the project.

Relationship of Entities Statement. (if applicable)

If you are submitting supporting documentation that shows invoices requesting payment from or proofs of payment paid by an entity that is not the contract holder, you must submit a statement explaining how these entities are related.

Green Development Designation. (if applicable)

To be eligible to claim the higher percentage of credits associated with green development, the project must have included this designation in their application. If a project elected green development designation at the time of application, you must submit official written proof from the Iowa Building Code Commissioner stating that the completed project meets or exceeds the sustainable design

standards. Approval of a redevelopment project as sustainably designed is only granted by the Iowa Building Code Commissioner.