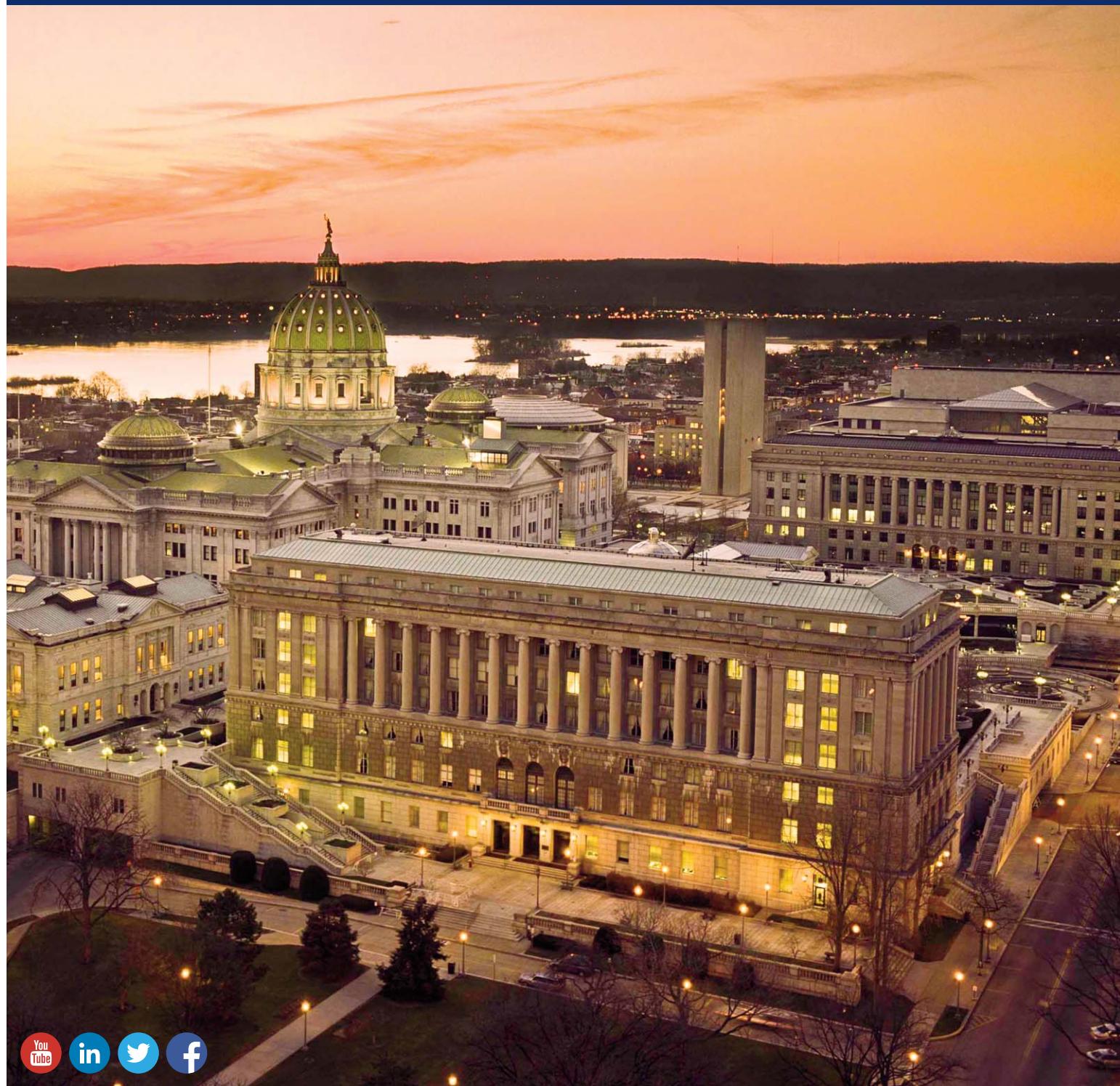


# NEIGHBORHOOD ASSISTANCE PROGRAM

Program Guidelines | July 2017



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## Section I – Introduction

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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 2017 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 collaboration among residents, nonprofits, and businesses.

Driven by the need for enhanced community revitalization, Pennsylvania’s NAP provides substantial support for every neighborhood and community in the commonwealth. The goals of NAP are to provide resources to assist neighborhoods and communities with fiscal difficulties, encourage positive health outcomes, and address the safety and welfare of their residents. As a result, NAP puts communities and targeted areas on the right track to fiscal well-being and self-sufficiency.

**These Programs are intended to benefit low-income populations, and as such must not result in the displacement or forced relocation of low-income individuals or households.**

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 (“Applicants”) apply for tax credits based on pending contributions from for-profit companies (“Contributors”).

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 that 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 must document they have capacity to complete the project, confirm collaborations, demonstrate 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 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 precisely 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 and how it supports current and planned activities. Include a narrative description of any other funds that have been or will be invested in the project that demonstrates 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 needs that will be addressed by the project. NAP activities must be specific to a problem the organization seeks to address. These activities must be supported by verifiable statistics such as population demographics, unemployment rate, percentage of residents receiving public assistance, information about 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 or 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 proposed to address the problem identified. Describe the organization's detailed approach, outlining what specific problems will be addressed and how the project will promote the proposed improvements. Further, describe how the project complements the overall community and 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 target dates in the development and implementation of the project. This section should also identify project partners and other collaborators or subcontractors. This section should also include a narrative description of any other funds invested in the project that demonstrate strategic alignment or partnership with other projects, activities, or efforts in the area. This section should also outline the project's plans for ongoing sustainability.

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

The Proposed Outcomes identified by the Applicant should describe specific, measurable, and achievable results that demonstrate the positive 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 identified in the NAP Community Impact Measures Report addendum to the Department's Electronic Single Application (ESA) (*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 used:

- **Inception Data:** Provide data pertaining to the observed problem prior to receiving NAP Tax Credit assistance.
- **Projected Outcomes:** Provide outcome measure data 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 percent tax credit. This program encompasses all approved projects in NAP.

### 2. Special Program Priorities (SPP) 75%

This program targets 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 percent 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 percent tax credit) or six years (up to 80 percent 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 that 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 percent tax credit.

**Note:** As Applicants solicit Contributors for donations, the Tax Benefits for Business Firms (*Exhibit B*) can be a useful guide. However, Applicants and Contributors must consult their respective accountants or tax advisors for specific tax-related questions. The Department does not provide tax advice.

## Section II – Requirements for All Programs

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### 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 timeframe 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. The Department will monitor contributions and may request updates or additional information about the status of contributions throughout the Project. However, agencies are advised not to accept contributions until the Department's official 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;

- Total income does not exceed 150 percent of the federal poverty level as established annually by the federal Office of Management and Budget; or
- Total income does not exceed 80 percent of the median income of the targeted area; or
- 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
- 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 pre-development, land acquisition, site control and clearing title, market studies, environmental costs, energy conservation and green building services, design services, and legal or 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, and/or (4) 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 that has a primary or secondary benefit to the stabilization or revitalization of the area.
4. **Crime Prevention:** Activities to reduce or prevent crime in a distressed community.
5. **Education:** Scholastic instruction or scholarship assistance for an individual residing in a distressed area that enables the individual to prepare for better life opportunities.
6. **Job Training:** Instruction for an individual residing in a distressed area that 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 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 official award letter is received from the Department.
- When a project application is approved, the Department will offer an agreement letter to the Applicant. This agreement may be referred to as a contract and is legally binding. In some instances, projects and activities change due to unforeseen circumstances. If the project scope changes or if actual expenses do not align with projected costs, the agreement must be modified or amended. In either instance, the Department must be notified in writing before proceeding with implementation of the changes. *See Section III D & E for details on Amendments and Modifications.*
- Tax credits will not be approved or awarded 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.

- **Nondiscrimination** – No assistance shall be awarded to a Qualified Taxpayer under this program unless the Qualified Taxpayer certifies that the Qualified Taxpayer shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws.
- **Conflict of Interest** – An officer, director, or employee of an Applicant who is a party to or has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the Applicant, and may not vote on action of the Applicant concerning the project, nor participate in the deliberations of the Applicant concerning the project.
- **Project Records** – The Applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The program office requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the program office, the Applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

## **Section III – The Single Application Process**

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Every Applicant is required to complete the Electronic Single Application (ESA), also known as the DCED Single Application, when applying for NAP. To assist the success of the application, complete all required elements of the program for which the agency is applying. Please refer to the program-specific sections of these guidelines for specific details. Complete an accurate narrative that details the Place, Problem, Project, and Proposed Outcomes. Review the corresponding section in the NAP guidelines that relates to the program for which the Applicant is applying. Before submitting the application, review the checklist provided for each program section.

### **A. Submission of Application**

1. The Applicant must apply via the Department's Electronic Single Application (ESA) located at [dced.pa.gov](http://dced.pa.gov) or [esa.dced.state.pa.us](http://esa.dced.state.pa.us). The Department also requires the Applicant to submit any application addenda listed in the ESA as a part of the application process. If you need additional assistance, contact the DCED Customer Service Center at 1-800-379-7448 or 717-787-3405.
2. The Department will post the guidelines annually at [dced.pa.gov](http://dced.pa.gov) by July 1st or when final approval is given to open ESA for NAP applications. The application due dates and any other details regarding the programs will be updated within the guidelines as appropriate.

### **B. Review of Proposals**

Applications will be reviewed and ranked by the Department 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 the significant community impact quantified in the Community Impact Measures Report (*Exhibit A*).
5. The neighborhood organization must explain their capacity to administer the project. The project must not duplicate other projects or services existing in the same community at the time of application.
6. The Applicant must provide commitment letters or present a strong solicitation plan. Consideration will be given to Applicants that submit written evidence of contribution commitment and detail collaboration with other organizations or initiatives in the area.
7. Approval will depend on the availability of tax credits, proposed activities, reasonableness of the overall project, and completeness of the application.
8. The Department, at its discretion after applications are reviewed and if tax 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.
9. Applications not approved for funding will receive letters notifying Applicants of the Department's decision.
10. NAP should not be considered by Applicants or awardees as an ongoing entitlement program. All applications are reviewed and scored on a yearly basis. Prior-year approvals or awards under this program do not guarantee automatic approval of any application or project regardless of its type of tax credit.

***Please Note: Once your application is submitted to the Department we will not accept major changes to the scope, breadth, budget, or location of your project prior to considering the project for approval. Minor changes may 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 Secretary of the Department will recommend for approval projects for NAP tax credits, and will determine the amount of tax credits granted to the Applicant. Preference will be given to projects in targeted areas currently supported by multi-faceted community development funding sources.
2. The Department will offer a tax credit project approval to the Applicant. The approval letter is the offer of a binding agreement that outlines the terms and conditions of the award. To become effective, the approval letter must be signed by the Applicant and returned to the Department within 60 days of the offer. The approval letter becomes a binding agreement between the Department and the Applicant when it is signed and remitted to the Department.
3. Upon receipt of the signed agreement from the Applicant the Department will:
  - a. Notify the business Contributor(s) the tax credit project is approved, and
  - b. Provide a copy of the signed approval letter constituting the agreement between the Department and the Applicant to the business Contributor, 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: Only business Contributors that submitted a commitment letter on their business letterhead will receive a notification letter from the Department.***

## **D. Amendment**

An amendment is required when a major change occurs after a project has been approved. Major changes include but are not limited to dropping 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 percent or more. A written request from the Applicant to amend the existing agreement must be submitted to the Department before the existing agreement end date. The request must describe any proposed changes. 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 description of the 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 made by the Applicant in writing before the agreement end date. The request must describe the details related to the modification. The request must contain the original and the revised objectives, timeline, goals, and other changes. If the change affects the budget, a revised budget and justification must be submitted.

## **F. Reporting Process**

For all NAP projects, an initial Community Impact Measures Report (*Exhibit A*) is due at the time of application. The Community Impact Measures Report must be submitted via ESA.

An annual report, which consists of the final Community Impact Measures Report, including Section VI of the report entitled Annual Project Report on Success (*Exhibit A*), must be submitted to the Department on or before December 31. These reports are used by the Department for statewide data collection and analysis. The NAP Annual Report requires a brief narrative to describe project accomplishments and how it met the goals and objectives identified in the original application. Finally, the agency should include any success stories related to the project. These stories should illustrate how this project had a positive impact in the community, and may include 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.

The NAP Annual Report and Community Impact Measures Report must be submitted to the DCED resource account for NAP, RA-DCEDNAPMAIL@pa.gov.

***Note: The reporting format has been updated to more effectively collate and synthesize data for reporting to the Pennsylvania Legislature and taxpayers. Outcome measures have been revised, and these elements are required. Every field that applies to your project must be completed.***

## **G. Audit**

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

## Section IV – Contributor Information

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### A. Introduction

NAP offer ways for Contributors to assist nonprofits meet the challenges of funding. The generous contributions of businesses have helped to develop and sustain many local projects that benefit communities, especially low-income populations. Applicants, typically non-profit neighborhood organizations, apply for NAP tax credits that, if approved by the Department, are available for use by the contributing businesses. The Contributors receive Pennsylvania state tax credits for their contribution to the project. Examples of how these credits may work for your business are included in Tax Benefits for Business Firms (*Exhibit B*). Specific tax-related scenarios and questions should be directed to your business accountant or tax advisor. DCED does not provide tax advice.

Business contributions include:

- Cash contribution,
- Equipment and/or supplies contribution,
- Job training,
- Real estate contribution, or
- Technical assistance.

Tax credits may be used the year of the contribution and for four years after the contribution, for a total of up to five consecutive years.

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

The process is uncomplicated for Contributors. If the Contributor is prepared to support the Applicant and project, the Contributor should provide a letter of commitment to the Applicant on the Contributor's corporate letterhead. Upon the Department's official written approval of the project, the contribution must be made to the Applicant within the state fiscal year, between July 1 and June 30. Lastly, the Contributor must complete the Application for Tax Credit (*Exhibit C*) and submit it to the Department with proof of the contribution. Proof of contribution may be, but is not limited to, photocopies of a cancelled check front and back, documentation of wire transfer of funds, electronic funds transfer records, etc.

### B. Programs

There are four programs or components under the NAP that apply to nonprofit community organizations:

1. **Neighborhood Assistance (NAP)**

One (1) year commitment to a project, up to 55 percent tax credit

2. **Charitable Food Program (CFP)**

Supports local food bank distribution center, one (1) year, up to 55 percent tax credit

3. **Special Program Priorities**

One (1) year, one project meeting the special program requirements up to 75 percent 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 per year for a period of five (5) years will be eligible for up to a 75 percent tax credit. A six (6) year or longer commitment of at least \$50,000 per year will be eligible for up to an 80 percent tax credit.

Participation in this type of project is strongly recommended, and is contingent upon availability of total NAP tax credit awards.

### C. Eligible Contributors

Eligible Contributors are business firms or business entities authorized to conduct business in Pennsylvania and subject to taxes imposed by:

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

The Pennsylvania Department of Revenue (DOR) will grant a tax credit that can be applied toward any of the above taxes that may be owed by the Contributor. Additionally, Pennsylvania S corporations, limited liability companies, partnerships, joint ventures, and business trusts may pass through tax credits. *Please refer to the section, How to Use Tax Credits, for additional details.*

Business Contributors participating in NAP projects are not eligible to submit NAP project applications, but are eligible to make contributions to nonprofit neighborhood organizations. If the neighborhood organization's application is approved by the Department, the business will be eligible to receive tax credits upon submission of the Application for Tax Credit (*Exhibit C*) to the Department after the contribution has been made and is sufficiently documented.

### D. Caps on Contributors

Businesses may contribute to an unlimited number of NAP projects. However, there are limits on the total amount of tax credits that may be awarded.

#### 1. Contributions to Three or Fewer Projects:

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

#### 2. Contributions to Four or More Projects:

The maximum tax credit amount a Contributor may receive annually for contributions to four or more projects is \$1,250,000. This maximum applies to the total of all NAP tax credits awarded under all programs.

### E. Contribution Period

The contribution period coincides with the state fiscal year (SFY), starting July 1 and ending on June 30 of the following year. All contributions must be received by the Applicant by June 30.

The Contributor has until December 31, a total of up to 18 months after the start of the SFY - to submit the Application for Tax Credit (*Exhibit C*) with proof of contribution to DCED. Directions are included with the form. Time is of the essence, and the Department must receive the completed form and supporting documentation before the December 31 deadline.

## F. Commitment Letter

A commitment letter (*Exhibit E*) is part of the application process for the nonprofit. The commitment letter is an agreement with the Applicant to make the contribution if the NAP application and associated tax credits are approved by the Department. For one-year projects, a simple letter is recommended. For long-term commitments in NPP, a letter is required every year of the project along with a Memorandum of Understanding (MOU) (*Exhibit G*). The MOU is drafted by the Applicant, and is the agreement with the Contributor for the long term commitment. It is not necessary to rewrite or revise the MOU yearly unless there is a change in the arrangement. However, it is necessary to submit both a new commitment letter and the existing MOU yearly.

A new application via ESA must be submitted each year by the Applicant. **Approval for the first year does not guarantee the approval of subsequent years.** NAP applications may be denied for a variety of reasons, including unavailability of tax credits, insufficient progress of the project, ineligibility of the Applicant, or an incomplete application.

## G. How to Use the Tax Credits

The Contributor awarded NAP tax credits may exercise three options for use of the credits:

- Retain and use,
- Sell or assign, or
- Pass through to another eligible entity.

All tax liabilities must be satisfied before the Contributor can sell or assign the credits, or pass them through to another entity. DOR makes the final determination concerning selling or assigning the tax credits or passing them through to another eligible entity. If the Contributor has tax liabilities, DOR will require the Contributor to settle the liabilities before approving a sale, assignment, or pass through.

### 1. Contributor Retaining and Using Tax Credits

If the Contributor decides to retain and use the tax credits:

- a. Complete and submit the 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, invoice for the cost of job training, proof of donation of real estate, or invoices for technical assistance. Copies of records such as wire transfer or electronic transfers may be submitted. Donors making in-kind food contributions to CFP programs should submit the completed Food Donations Worksheet (*Exhibit H*).

- b. The completed Application for Tax Credit and Food Donations Worksheet, if applicable, must be submitted to DCED by December 31, 180 days or six months after the contribution period ends. Time is of the essence, and the Department must receive the completed forms not later than December 31. Completed forms must be submitted the NAP resource account, RA-DCEDNAPMAIL@pa.gov.
- c. DCED first reviews and approves the submitted forms, and then forwards the form to the DOR for further processing.
- d. DOR notifies the Contributor when the tax credits are approved and applied.

## 2. Selling Tax Credits

Applications can be made to sell or assign tax credits only after the Contributor has held the approved NAP tax credits for one (1) year. If the Contributor decides to sell the tax credits, the Contributor must submit the following two forms to the Department:

- a. Application For Tax Credit (*Exhibit C*); and
- b. Application To Sell or Assign Tax Credits (*Exhibit D*).
- c. Upon receipt of the Application to Sell or Assign Tax Credits (*Exhibit D*), DCED will review and forward the form to DOR recommending the sale. DOR will review the form and determine if there are enough tax credits available for the sale. If approved, the DOR will make notification to DCED. The Contributor requesting the sale or assignment will then be notified by DCED via an approval memo and the approved Application to Sell or Assign Tax Credits.

## 3. Passing Through Tax Credits

If the Contributor requests pass-through of the tax credits, the Contributor'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. To apply for pass-through of the tax credits, the Contributor must:

- a. Submit the Application for Tax Credit (*Exhibit C*) to DCED for approval. Forms must be submitted to the NAP resource account, RA-DCEDNAPMAIL@pa.gov.
- b. After DCED approves the NAP tax credits, the Contributor must send a letter to the DOR 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. DOR 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 and Disclosures

The Department may publicly acknowledge Applicants and Contributors that participate in 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 Contributor participation in NAP, SPP, NPP, and CFP programs.

## Section V – Neighborhood Assistance Program (NAP)

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### A. Introduction

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

NAP offers up to a 55 percent tax credit to Contributors for an approved project. This is a one (1) year, one (1) project application. In addition to the information contained in **Sections I through III**, the following requirements apply to projects proposed and approved for NAP.

### 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. This includes expenses for pre-development, land acquisition, site control, title clearance, market studies, environmental costs, energy conservation and “green” building services, design services, 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 and violence prevention within the designated area, or (5) Assist Relative/Neighbor Caregivers to become registered and licensed Family Child 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 intended to stabilize or revitalize the area.
4. **Crime Prevention:** Activities such as block watch programs or community awareness training that help to reduce crime in a distressed community.
5. **Education:** Scholastic instruction or scholarship assistance for individuals residing in a distressed area that enables individuals to prepare for better life opportunities.
6. **Job Training:** Vocational instruction for individuals residing in a distressed area that enables individuals to acquire job-specific or pre-vocational skills to become employable or enable advancement opportunities for 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 have primary or secondary benefits to the stabilization of a distressed area.

## C. Required Narrative Details

The specific NAP program requirements must be clearly documented. Provide precise details for the project and how the application fits NAP requirements. Include all data, maps, charts, agreements, partnership arrangements that support the application. The narrative must explain the essence of the project. By describing the Place, Problem, Project, and Proposed Outcomes, the 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 ESA, the budget must include the NAP Request located in the first column, and any other sources of funds needed to undertake the project located in the remaining columns. The NAP Budget column must reflect the total contribution amount. **Do not include the anticipated tax credit amount.** The tax credit amount will be determined based upon the contribution amount.

For example, if the Applicant receives a commitment from a business in the amount of \$75,000, the total amount of the contribution indicated in the NAP Budget column must be \$75,000. The tax credit award will be calculated from that column at up to 55 percent for NAP projects. If the Applicant has obtained more than one commitment, sum the commitments and indicate the total in the NAP Budget column. In this example, the \$75,000 from a Contributor will result in an available tax credit of \$41,250. Applicants are responsible for ensuring the full amount of the contribution 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.

Administrative costs do 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 in the DCED column from the other costs needed to fund the entire project only. Review the costs identified, and check to ensure they correspond with the proposed project activities by comparing 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

Use the following checklist to ensure relevance and completeness of the NAP application:

- Does the application meet the requirements of NAP?
- Completed project narrative in ESA. *“Please see attached”* or other statements of a similar nature are not acceptable.
- Narrative: explain the Place, Problem, Project and Proposed Outcomes.
- Is the Community Impact Measures Report completed including the list of contributors?

- Is data supplied, including references where data was extracted such as census track, city code, etc., to support a low-income population, distressed area, and the relative need?
- Are commitment letters (preferred) or a detailed solicitation plan attached?
- Is a copy of the IRS 501(c)(3) award letter attached?
- Are any job descriptions paid by the NAP attached?
- Are any agreements, subcontracts, ownership, lease or sale agreements, bids, quotes, or cost estimates attached?
- Have any zoning or any special requirements been identified to complete the project?
- Is the projected budget correct, and does it match the Budget Justification?
- Have any supporting documents that apply to data collection, such as maps or charts, been uploaded?
- Are letters of support for the project included?
- Are photos, drawings, or project descriptions that are not included in narrative identified and included?
- Has the completed application been uploaded via ESA?

## Section VI – Special Program Priorities (SPP)

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### A. Introduction

The Special Program Priorities (SPP) component of NAP 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 percent tax credit for approved one (1) year projects.

### B. Program Requirements

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

1. **Disaster or Economic Recovery:** Needs related to disaster recovery efforts for 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 to a community based on an unanticipated 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 worker programs, social service needs, case management, or any such services that assist the affected population in its recovery.
2. **Integrating Weatherization and Housing Rehab:** Housing improvements 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 (WAP) and funding from either Community Development Block Grants (CDBG) or the HOME Investment Partnerships Program (HOME). The neighborhood or locale must 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 information and documentation about how the targeted population meets the concept of diversity. This documentation must include any research, data, or statistics that substantiate the necessity of assistance for a unique population. This initiative also includes refugee, immigrant, and other vulnerable populations.
4. **Mortgage Foreclosure Prevention:** Projects and activities aimed at preventing mortgage foreclosures. This can include, but is not limited to, resource 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 to remediate or prevent the area from falling into disrepair and decrepitude. The partnership must include a neighborhood-based agency such as the Applicant, a private sector business that does not solely include the Contributor, and the local government. Together, the partnership must collaborate to reduce blight in a specific geographically-defined distressed area.
6. **Veteran Initiatives:** Projects or programs that support veterans and their families. The Applicant must demonstrate the need for a veteran-specific program using data, research, or any other means of documentation. All eligible services under the general NAP are eligible for this designation.
7. **Rural Transportation Initiatives:** These initiatives should strive to reduce 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 efficient and 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 individuals with obtaining transportation, providing free or low cost transportation, or providing public transportation to rural areas would be eligible for this designation.
8. **Affordable Housing and Supportive Services for At-Risk Populations:** Renovation, repair, rehabilitation, construction, or preservation of housing and related supportive services for at-risk populations where there is a lack of affordable housing. At-risk populations are low-income households who require assistance to obtain housing, adequate food, health and medical care, job training, or services that facilitate living outside of an institutional setting such as a shelter, 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 or frail.

## C. Required Narrative Details

The specific SPP program requirement must be clearly documented. Indicate the program requirement being applied for. Provide precise details for the project and how the application fits SPP requirements. Include all data, maps, charts, agreements, partnership arrangements, or resources that support the application. The narrative must 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

When completing the budget section in ESA, the budget must include the SPP Request located in the first column, and any other sources of funds needed to undertake the project located in the remaining columns. The SPP Budget column must reflect the total contribution amount. **Do not include the tax credit amount.** The tax credit amount will be determined based upon the contribution amount.

For example, if the Applicant received a commitment from a Contributor in the amount of \$75,000, the total amount of the contribution indicated in the SPP Budget column must reflect \$75,000. The tax credit award will be calculated from that column at up to 75 percent, for SPP projects. If the Applicant has obtained more than one commitment, sum the commitments and indicate the total in the NAP Budget column. In this example, the \$75,000 from a Contributor will result in an available tax credit of \$56,250. Applicants are responsible for ensuring the full amount of the commitment 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.

Administrative costs do 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 in the DCED column from the other costs needed to fund the entire project only. Review the costs identified, and check to ensure they correspond with the proposed project activities by comparing 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 SPP application, subcontract agreements, leases, or construction documentation.

## F. Checklist for Application

Use the following checklist to ensure relevance and completeness of the SPP application:

- Does the application meet the requirements of SPP?
- Completed project narrative in ESA. “*Please see attached*” or other statements of a similar nature are not acceptable.
- Does the narrative: explain the Place, Problem, Project and Proposed Outcomes?
- Is the Community Impact Measures Report completed including the list of Contributors?
- Is sufficient documentation submitted to support the SPP project, including evidence of the need, partnerships, funding sources, collaborations, etc.?
- Is data supplied, including references where data was extracted such as census track, city code, etc., to support a low-income population, distressed area, and the relative need?
- Are commitment letters (preferred) or a detailed solicitation plan attached?
- Is a copy of the IRS 501(c)(3) award letter attached?

- Are any job descriptions paid by the SPP attached?
- Are any agreements, subcontracts, ownership, lease or sale agreements, bids, quotes, or cost estimates attached?
- Have any zoning or any special requirements been identified to complete the project?
- Is the projected budget correct, and does it match the Budget Justification?
- Have any supporting documents that apply to data collection, such as maps or charts, been uploaded?
- Are any letters of support for the project included?
- Are photos, drawings, or project descriptions that are not included in narrative identified and included?
- Has the completed application been uploaded via ESA?

## **Section VII – Neighborhood Partnership Program (NPP)**

### **A. Introduction**

The Neighborhood Partnership Program (NPP) component of NAP is rooted in a community strategic plan, collaborations with partners, and long-term business relationships. The neighborhood organization, a nonprofit agency, must be the Applicant for NPP. The NPP is expected to 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 that secures business commitments for five (5) years, six (6) years, or longer. The tax credit for a five (5) year NPP commitment is up to 75 percent, and up to 80 percent for a six (6) year or longer commitment. Minimum contributions are \$50,000 per business, and the minimum NPP application is \$100,000. Applicants must have commitment letters from all Contributors at the time of submission. If approved by the Department, the Applicant may engage in more than one NPP as determined by need and scope of projects.

### **B. Program Requirements**

All requirements in **Section I through III** must be met when applying for NPP tax credits. The narrative must explain the essence of the project by fully describing the Place, Problem, Project, and Proposed Outcomes. Narrative requirements are explained in **Section I** of these guidelines.

A Community or Strategic plan must be in place locally before initiation of an NPP application. This plan incorporates the needs of the community, projects and priorities, and the vision is for the specified area. Input for this process should include a collaboration of residents, the NPP advisory committee, and any other entity involved in or impacted by the plan. The plan must extend over the five (5) or six (6) year life of the NPP. The plan must focus on multiple NPP requirements and include any other funding or leveraging that will be used for the NPP. The plan must include a timeline that identifies the projects over the life of the award.

Additionally, as an integral component of a proposed or approved NPP project, a Neighborhood Partnership Advisory Committee must be formed. The committee must assist with the initial and subsequent planning of the NPP, and provide ongoing input to the neighborhood organization applying for and carrying out the NPP project. This committee may be made up of members of the agency, business Contributors, subcontractors,

government representatives, other organizations related to the NPP, residents, and anyone in the community that has an active part in the NPP project. This NPP advisory committee must meet at least quarterly to discuss the progress, any issues that arise, and to relay and update information about the community. The NPAC meetings must be open to the public, except when confidential personnel or program client services information is discussed.

## 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 collaborations, and partnerships developed. The application must provide a snapshot of what is happening in the specific area and how, with the help of NPP, the community or targeted area will improve.

Many things must be considered for NPP. For example, can the neighborhood organization consistently support the activities of the NPP? Will collaborations and partnerships be formed with the NPP? Is the neighborhood organization sustainable for at least the duration of the proposed NPP? Is there community involvement and buy-in? Is there a five (5) or six (6) year commitment by all involved?

NPP Applicants are responsible for ensuring their Contributors are committed to the full five (5), six (6), or more years of the project. Applicants should make their Contributors aware tax credits can be rescinded by DOR for failure to contribute to the full five (5) or six (6) year term of the project. Once an NPP project has been approved and initiated, it is not possible to add additional tax credit incentivized Contributors in subsequent years.

NPP Applicants may operate only one (1) NPP project in a specific neighborhood or targeted area. More than one NPP in a specific targeted area is a violation of the non-duplication stipulation set forth above. If, during the course of an NPP, an Applicant believes services should be changed or expanded, the Applicant must revise applications in subsequent years that encompass any changes for consideration.

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

1. An executive summary and a full copy of the Community or Strategic Plan. Explain what has happened in the previous year, if submitting an 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. **Sections I, II, and III** of the report must be completed for an NPP application.
3. A list naming all the Neighborhood Partnership Advisory Committee Members.
4. A memorandum of understanding (MOU) between the Applicant and the 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 resubmitted. 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 Contributors that outlines the nature and extent of financial and other commitments each entity is making to carry out the NPP project and the mutual expectations and obligations of both parties. The MOU at a minimum should include the following:
  - a. A pledge of not less than \$50,000 in yearly cash contributions for a minimum of five (5) years.
  - b. The duration of the pledge and project (five (5) years, six (6) years, or longer).
  - c. A schedule for the distribution of funds to the NPP Applicant agency.
  - d. A timetable for the completion of key project activities and expected outcomes of those activities.
  - e. A delineation of the type of participation and in-kind support the business firm will provide.

- f. The circumstances under which the terms of the agreement may be changed or terminated.
- g. Recognition of the Contributor's support by the Applicant agency in project related publications, press releases, and signage.
- h. Consultation between the Applicant and Contributors concerning progress and changes to the project.
- i. Other mutual understandings concerning the relationship between the Contributor and the Applicant.

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 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 the proposed project is in compliance with the comprehensive land use plans and zoning or 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. as part of the proposed NPP.
11. A copy of any proposed contractual agreements for services, if applicable, including subcontracts.
12. NPP applications are required to have commitment letters from Contributors.

#### **D. Subsequent/Ongoing Application**

NPP applications must be submitted annually to the Department via ESA 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 including specific actions that will be taken in the upcoming year. If there has been a change in the initially submitted timeline or any type of delay, the occurrences must 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 necessary to identify the year for which the application submitted in relation to the overall project. If, for example, the application is submitted for the third year of a five year NPP, the Applicant must clearly state this. 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. MOUs 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 ESA, the budget must include the NPP request located in the first column. Any other sources of funds that will be used to undertake the project should be identified in the remaining columns. The NPP Budget column must reflect the total contribution amount. **Do not include the tax credit amount.** The tax credit amount will be determined based upon the contribution amount.

For example, if the Applicant receives a commitment from a business in the amount of \$100,000, the total amount of the contribution indicated in the NPP request column should reflect \$100,000. The tax credit award will be calculated from that column at 75 percent for a five (5) year commitment, or at 80 percent for a six (6) year or longer commitment. If the Applicant has obtained more than one commitment, sum the commitments and indicate the total in the NPP Budget column. Applicants are responsible for ensuring the full amount of the contribution is accounted for.

The portion of contributions used for administrative costs and overhead is limited to no more than 10 percent 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.

Administrative costs do 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 in the DCED column from the other costs needed to fund the entire project only. Review the costs identified and check to ensure they correspond with the proposed project activities by comparing 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, subcontract agreements, leases, or construction documentation.

## G. Checklist for Application

Use the following checklist to ensure relevance and completeness of the NPP application:

- Does the application meet the requirements of NPP?
- Completed project narrative in ESA. *“Please see attached”* or other statements of a similar nature are not acceptable.
- Narrative: explain the Place, Problem, Project and Proposed Outcomes.
- Is the Community Impact Measures Report completed including the list of Contributors?
- Is the neighborhood or strategic plan attached?
- Has a project timeline been identified and provided?
- Is sufficient documentation submitted to support the NPP project, including evidence of the need, partnerships, funding sources, collaborations, etc.?

- Is data supplied, including references where data was extracted such as census track, city code, etc., to support a low-income population, distressed area, and the relative need?
- Are commitment letters, or updated commitment letters beyond the first year, from all Contributors attached?
- Is a copy of the IRS 501(c)(3) award letter attached?
- Are any job descriptions paid by the NPP attached?
- Are any agreements, subcontracts, ownership, lease or sale agreements, bids, quotes, or cost estimates attached?
- Are all MOUs signed and dated by all parties, and included? If MOUs have been revised after the first year, are the new or amended MOUs attached?
- Have any zoning or any special requirements been identified to complete the project?
- Is the projected budget correct, and does it match the Budget Justification?
- Have any supporting documents that apply to data collection, such as maps or charts, been uploaded?
- Are any letters of support for the project included?
- Are photos, drawings, or project descriptions that are not included in narrative identified and included?
- Is historical information included that demonstrates the progress of the project if the NPP application is being submitted beyond the first year?
- Are success stories, concerns, or changes included if the NPP application is being submitted beyond the first year?
- Has proof of other funding sources or collaborations been identified and documented?
- Has the completed application been uploaded via ESA?

## Section VIII – Charitable Food Program (CFP)

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### A. Introduction

The Charitable Food Program (CFP) component of NAP 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 percent tax credit to Contributors on an approved application.

All requirements in **Sections I through III** and requirements in this section are part of the application process for CFP.

## B. Program Requirements

The CFP is accessible for organizations serving 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 (USDA), Food and Nutrition Service (FNS):

- **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 (*Exhibit H*). This form must be included when the application for tax credits is submitted by the Contributor. The value of all food donations must adhere to the cost per pound valuations listed on the form. Tax credits will be calculated based only on the information provided on this form. Further, all contributions of food must be as specific as possible to describe what is contributed to the Applicant.

For example, if a Contributor donates five boxes of food, the Applicant must be specific about what was in the five boxes. The Department reserves the right to deny eligibility of any contribution that does not adhere to these requirements. It is the responsibility of the Applicant to ensure all Contributors are aware of the CFP guidelines and adhere to them.

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

Applications may include funds needed to support the program. Supports such as truck usage, case managers, or purchasing non-food items or household items are permitted, within reason, up to a total of 15 percent of the CFP amount applied for. Detailed explanations for items other than food are required in the narrative, budget, and budget justification.

## C. Narrative

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

The narrative must include a complete description of the proposed project, and must incorporate the four required elements of: Place, Problem, Project, and Proposed Outcomes. Outcome measures required for CFP include the following projected and actual outcomes on a county-wide basis:

- Number of neighborhood, community, or targeted area residents who are served or 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 CFP requirements appear in Section III of the Community Impact Measures Report (*Exhibit A*). Specific narrative requirements are explained in **Section I** of these guidelines.

## D. Budget

In completing the budget section in ESA, the budget must include the CFP Request located in the first column, and any other sources of funds needed to undertake the project located in the remaining columns. The CFP Request column must reflect the total contribution amount. **Do not include the tax credit amount.** The tax credit amount will be determined based on the contribution amount.

For example, if the Applicant receives a commitment from a business in the amount of \$75,000, the total amount of the contribution indicated in the CFP Request column must be \$75,000. The tax credit award will be calculated from that column at 55 percent for CFP projects. If there is more than one commitment, sum the commitments and indicate the total in the CFP Request column. In this example, the \$75,000 from a Contributor will result in an available tax credit of \$41,250 for the CFP project. Applicants are responsible for ensuring the full amount of the contribution is accounted for.

The portion of contributions used for administrative costs and overhead is limited to no more than 10 percent 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.

Administrative costs do 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

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

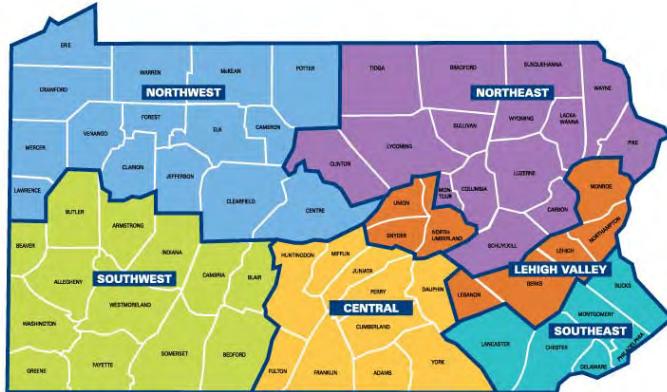
## F. Checklist for Application

Use the following checklist to ensure relevance and completeness of the CFP application:

- Does the application meet the requirements of CFP?
- Completed project narrative in ESA. *“Please see attached”* or other statements of a similar nature are not acceptable.
- Narrative: explain the Place, Problem, Project, and Proposed Outcomes.
- Is the Community Impact Measures Report completed including the list of contributors?
- Is data supplied including references where data was extracted such as census track, city code, etc., to support the food insecurities?
- Are commitment letters (preferred) or a detailed solicitation plan attached?
- Is sufficient documentation that will explain, within reason, any line items other than food?
- Is a copy of the IRS §501(c)(3) IRS Determination Letter attached?
- Are any job descriptions for position(s) being paid by the CFP attached?
- Is the projected budget correct, and does it match the Budget Justification?
- Have any supporting documents that apply to data collection, such as maps or charts, been uploaded
- Are photos, drawings, or project descriptions that are not included in narrative identified and included?
- Has the completed application been uploaded via ESA?

# Regional Offices

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



### Southeast

Bucks, Chester, Delaware, Lancaster, Montgomery and Philadelphia counties

Department of Community and Economic Development

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### Northeast

Bradford, Carbon, Clinton, Columbia, Lackawanna, Luzerne, Lycoming, Montour, Pike, Schuylkill, Sullivan, Susquehanna, Tioga, Wayne and Wyoming counties

Department of Community and Economic Development

Paul Macknosky

2 North Main Street  
Pittston, PA 18640

(570) 963-4122

Fax: (570) 654-6315

pmacknosky@pa.gov

### Lehigh Valley

Berks, Lehigh, Monroe, Lebanon, Northampton, Northumberland, Snyder, and Union counties

Department of Community and Economic Development

Fadia Halma, Director

400 North Street, 4<sup>th</sup> Floor  
Commonwealth Keystone Building  
Harrisburg, PA 17120-0225

(717) 877-8481

fhalma@pa.gov

### Central

Adams, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Mifflin, Perry, and York counties

Department of Community and Economic Development

Gwen Ross

400 North Street, 4<sup>th</sup> Floor  
Commonwealth Keystone Building  
Harrisburg, PA 17120-0225

(717) 720-7386

Fax (717) 783-4663

gwross@pa.gov

### Southwest

Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Fayette, Greene, Indiana, Somerset, Washington, and Westmoreland counties

Department of Community and Economic Development

Johnna Pro, Director

301 Fifth Avenue, Suite 250  
Pittsburgh, PA 15222

(412) 565-5098

Fax: (412) 565-2635

jopro@pa.gov

### Northwest

Cameron, Centre, Clarion, Clearfield, Crawford, Elk, Erie, Forest, Jefferson, Lawrence, McKean, Mercer, Potter, Venango, and Warren counties

Department of Community and Economic Development

Kim Thomas, Director

100 State Street, Suite 205  
Erie, PA 16507

(814) 871-4245

Fax: (814) 454-7494

kimbethoma@pa.gov

## NEIGHBORHOOD ASSISTANCE PROGRAM COMMUNITY IMPACT MEASURES REPORT

### GENERAL INFORMATION

Applicant:	Project Name:
Single Application Number:	Fiscal Year:

This form will be submitted twice. An agency will submit it with their original application with all projected outcomes. The agency will save the submitted form so that they may update this form with the actual outcomes. All agencies approved for tax credits will update the form with the actual outcomes and are required to complete a second submission of this form in a completed format at the end of the contract year. This second submission will include the original data with the addition of the actual accomplishments of the project. The form will then be submitted via e-mail to: [ra-decdocs@state.pa.us](mailto:ra-decdocs@state.pa.us).

### SECTION I: PROJECT PURPOSE

Please select the type of Neighborhood Assistance Project   **MUST Select NAP Type**  

### SECTION II: PROJECT SUCCESS MEASURES

Please complete the project activity/ies below that apply to your Neighborhood Assistance Program (NAP). Although not all project activities are required for any one program, please complete ALL project activities that are related to your specific NAP project, as this will help substantiate the value of your specific project. "Projected" numbers must be completed at the time of application, 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 those listed served who are long term recipients of food subsidies (greater than 6 months)		
# served who would have been required to make a choice between food or medical expenses (assisted by this project) and other expenses, such as medical care, utility payments, etc.			# served who are receiving food subsidies as part of/participating in a self-sufficiency program (such as financial/budget counseling, employment and training, and/or family savings account, first time homebuyer, etc.)		
# of low-income individuals served who are also participating in income, infrastructure, & asset building towards their long-term goals			# of low-income individuals assisting in neighborhood cleanup & beautification		
# of low-income individuals assisting with project planning & implementation			# of combined "Total" of ALL low-income individuals assisting with any portion of this project (include all low-income individuals who planned/implemented and/or assisted with cleanup, plus any other low-income individuals who contributed in another way towards this project)		
# of low-income individuals learning & maintaining budgeting skills			# meals provided to low-income individuals/families		
# of day cares created by project			# of senior care sites created by project		
# of youth participating in weekend and/or after-school programs			# of first-time homebuyers served by project		
# of foreclosures prevented due to intervention			# of housing units maintained (mitigated all home issues)		
# of housing units rehabbed by project			# of housing units constructed by project		
# of residents who completed job training			# of residents who completed ABE/GED curricula		
# of residents who obtained FT employment as a result of job training			# of residents who obtained PT employment as a result of job training		

## SECTION II: PROJECT SUCCESS MEASURES (Continued)

Project Measures	Projected	Actual	Project Measures	Projected	Actual
# of direct jobs created by project paying more than state minimum wage			# of jobs retained by project		
# of new business start-ups			# of commercial/industrial buildings constructed		
# of commercial/industrial buildings rehabbed			# of blighted properties cleared by project		
# of blighted buildings removed			# of new facia added to revive community appearance		
# of sites that were cleaned and repurposed (land recycling through environmental cleanup) so that land may serve a new purpose			# of sites which increased the low-income community's monetary network in order to satisfy a need (examples: Bank or Grocery Store)		
# of blocks with adequate lighting installed by this project			# of blocks receiving better street signs, flags, flowers, and/or other improvements/beautification		
# of parks or rest sites created			# of walking trail(s) created		
# rides given for work or medical			# of life-saving surgeries		
# of patients served by various other health services (medical services, opioid addiction services, dental services, etc.)			# of low-income individuals who received NARCAN and/or CPR training		
# of Community Health Centers created for low-income individuals			# of Community Gathering places created to serve a need for Seniors		
# of Community Gathering places created to serve a need for Youth			# of buildings cleaned for Disaster Recovery		

## SECTION III: COMMUNITY IMPACT MEASURES

**Community Impact Measures are required for ALL PROJECTS. Please complete all data elements that apply to your project.**

Capturing activity details is necessary to identifying projects which will most impact the community in which the project occurs. The project activities captured in Section II should be used toward producing the Community Impact Measures, which provide the actual change(s) that have occurred within the community and measures the result and effectiveness of the community investment through NAP tax credits for your project.

Enter the Community Impact Measures which best describe how your project will impact the community served (paying particular attention to the REQUIRED measures specific to the project type). 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
Homeownership Rate			
Median Property Value			
Residential Vacancy Rate			
Business Property Vacancy Rate			
Poverty Rate			
Crime Rate			
School Drop Out Rate			
High School Graduation Rate			
Unemployment Rate			
Food Insecurity Rate			
Impact Measures (Job Impact)	Inception	Projected	Actual
Number of Quality Jobs* Created	N/A		
Number of Quality Jobs* Retained	N/A		
Estimated Tax Credits per Total Jobs (created & retained)	N/A		

#### ***SECTION IV: COMMUNITY IMPACT MEASURES (Continued)***

Impact Measures (Tax Impact)	Inception	Projected	Actual
State/Local Taxes*	N/A		
* For site-specific construction or rehabilitation/redevelopment projects include all state and local taxes collected resulting from business and/or residential activity for that site.			
The state taxes should include:			
<ul style="list-style-type: none"> <li>- Earned income from workers;</li> <li>- Corporate/business taxes including Corporate Net Income Taxes: Capital Stock &amp; Foreign Franchise Tax; Insurance Premiums Tax (see next measure regarding any abated taxes)</li> <li>- State taxes</li> </ul>			
The local taxes should include taxes collected at the county/municipal, and school district levels			
<ul style="list-style-type: none"> <li>- Property taxes (see next measure regarding any abated taxes);</li> <li>- Earned income from workers;</li> <li>- Business taxes including Net Profits Tax, Business Gross Receipts, Business Occupancy, Business Privilege and Mercantile Taxes (see next measure regarding any abated taxes)</li> <li>- Sales taxes.</li> </ul>			
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.			
Abated Taxes**	N/A		
** In completing answers for state/local tax measures above, do not include any abated taxes. Include all state and local taxes abated in the "Abated Taxes" measure.			
The amount due in the "Inception" column should be the most recent year total prior to project start			
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.			
Impact Measures (Financial Related Impact)	Inception	Projected	Actual
\$\$ Value of Food Made Available to low-income individual's/family's (Required for CFP)	N/A		
Money Made Available for Project via Businesses Receiving Tax Credits	N/A		
Individual Cash Contributions Towards Project	N/A		
Other Community Dollars Available (local government and individual resources made available to the project as a result of NAP)	N/A		
Total Resources Available for Project as a Result of Tax Credits	N/A		
Impact Measures (Project Impacts Not Otherwise Counted Above)	Inception	Projected	Actual
Other Community Impact Measures to Support Project Proposed by Applicant:	(complete for each selected measure)		
#1			
#2			

## **SECTION V: FUNDS LEVERAGED - PRIVATE**

Section IV Instructions: This is an opportunity to list all other funds that were able to be leveraged for this project as a result of the NAP Tax Credits. This section should include private/individual contributions given in support of the project, non-profits which contributed towards the project, and may include local tax dollars or other business contributions.

## **SECTION VI: FUNDS LEVERAGED from BUSINESS CONTRIBUTORS**

Section V Instructions: During the first submission of this project, simply list the names of the businesses that will contribute. During the second submission of this form, at project completion and no later than October 15, all information must be completed for each participating business that is requesting tax credits.

<b>Contributor Name &amp; Address</b>	<b>Date of Contribution</b>	<b>Amount of Contribution</b>	<b>Applied to DCED for Tax Credits</b>	<b>Amount of Contribution Expended by Applicant</b>
Name				
Address				
City, State, Zip				
Name				
Address				
City, State, Zip				
Name				
Address				
City, State, Zip				
Name				
Address				
City, State, Zip				
Name				
Address				
City, State, Zip				
Name				
Address				
City, State, Zip				
Name				
Address				
City, State, Zip				
Name				
Address				
City, State, Zip				
Name				
Address				
City, State, Zip				
Name				
Address				
City, State, Zip				
<b>Total Contribution Amount</b>		\$0	<b>Total Expended =&gt;</b>	\$0

## **SECTION VII: ANNUAL PROJECT REPORT ON SUCCESS**

Describe how the place-based, neighborhood outcome measures submitted with your application have been met?

If any of them were not met, describe the lessons learned and how you are working towards achieving this place-based, neighborhood outcome...

Describe how the project goals (measurements), as submitted with your application, were met? If any of them were not met, describe the lessons learned and how you are working towards achieving these goals/measurements...

Have all businesses met their initial commitment and applied for tax credits? Have all of these commitments been expended by the agency? If the answer is not affirmative, to both questions please explain...

Provide additional comments/information below that will aide the DCED in evaluating the progress and outcomes of your project. Also provide lessons learned which would assist DCED or other projects in future planning.

Provide information on lessons learned which will assist you or others in planning future projects.

# 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%

Pennsylvania Department of Community & Economic Development

Commonwealth Keystone Building | 400 North St., 4th FL | Harrisburg, PA 17120-0225

717.425.7643 | [dced.pa.gov/nap](http://dced.pa.gov/nap)

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

	<b>55% Credit</b>	<b>75% Credit</b>	<b>80% Credit</b>
Contribution .....	\$200,000	\$200,000	\$200,000
NAP Tax Credit .....	<u>(110,000)</u>	<u>(150,000)</u>	<u>(160,000)</u>
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
Reduction of State Tax Costs .....	NAP Tax Credit X Federal Rate .....	<u>(38,500)</u>	<u>(52,500)</u>
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
Reduction of Federal Tax Costs .....	State Tax Benefit X Federal Rate .....	<u>(2,149)</u>	<u>(2,149)</u>
Net State Tax Benefit of Contribution .....	3,991	3,991	3,991
 Net Cash Outlay after Tax Benefits .....	<u>54,509</u>	<u>28,509</u>	<u>22,009</u>
Cost Per \$100.....	\$27	\$14	\$11

### **TAX ASSUMPTIONS**

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

## Bank and Trust Company Shares Tax Benefit

	<b>55% Credit</b>	<b>75% Credit</b>	<b>80% Credit</b>
Contribution .....	\$200,000	\$200,000	\$200,000
NAP Tax Credit .....	<u>(110,000)</u>	<u>(150,000)</u>	<u>(160,000)</u>
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 .....	<u>(38,500)</u>	<u>(52,500)</u>
Net Federal Tax Benefit of Contribution .....	31,500	17,500	14,000
 Net Cash Outlay after Tax Benefits .....	<u>58,500</u>	<u>32,500</u>	<u>26,000</u>
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

	<b>55% Credit</b>	<b>75% Credit</b>	<b>80% Credit</b>
Contribution .....	\$200,000	\$200,000	\$200,000
NAP Tax Credit .....	<u>(110,000)</u>	<u>(150,000)</u>	<u>(160,000)</u>
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 .....	<u>(38,500)</u>	<u>(52,500)</u>
Net Federal Tax Benefit of Contribution .....	31,500	17,500	14,000
 Net Cash Outlay after Tax Benefits .....	<u>58,500</u>	<u>32,500</u>	<u>26,000</u>
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

	<b>55% Credit</b>	<b>75% Credit</b>	<b>80% Credit</b>
Contribution .....	\$200,000	\$200,000	\$200,000
NAP Tax Credit .....	<u>(110,000)</u>	<u>(150,000)</u>	<u>(160,000)</u>
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 .....	<u>(38,500)</u>	<u>(52,500)</u>
Net Federal Tax Benefit of Contribution .....	31,500	17,500	14,000
 Net Cash Outlay after Tax Benefits .....	<u>58,500</u>	<u>32,500</u>	<u>26,000</u>
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

	<b>55% Credit</b>	<b>75% Credit</b>	<b>80% Credit</b>
Contribution .....	\$200,000	\$200,000	\$200,000
NAP Tax Credit .....	<u>(110,000)</u>	<u>(150,000)</u>	<u>(160,000)</u>
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 .....	<u>(38,500)</u>	<u>(52,500)</u>
Net Federal Tax Benefit of Contribution .....	31,500	17,500	14,000
 Net Cash Outlay after Tax Benefits .....	<u>58,500</u>	<u>32,500</u>	<u>26,000</u>
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



## APPLICATION FOR TAX CREDIT UNDER THE NEIGHBORHOOD ASSISTANCE ACT

<p style="text-align: center;"><b>IMPORTANT</b></p> <p>Submit tax credit forms in triplicate</p> <p>Attach proof of contribution (See Number 10)</p> <p>Obtain copy of Project Approval Letter</p> <p>Check amounts and dates</p>	<p style="text-align: center;"><b>FOR DEPARTMENTAL USE ONLY</b></p> <p>APPLICATION NUMBER:</p> <p>APPROVED MAXIMUM CREDIT:</p> <p>APPROVING AUTHORITY: <span style="float: right;">DATE:</span></p>
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GENERAL INFORMATION		
1. APPLICANT'S NAME:		
2. ADDRESS:		
3. CONTACT PERSON:		4. TELEPHONE NUMBER:
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:		
<input type="checkbox"/> Check - A copy of a CANCELLED CHECK <input type="checkbox"/> Equipment and/or Supplies <input type="checkbox"/> Job Training <input type="checkbox"/> Real Estate <input type="checkbox"/> 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
<b>PA Revenue Tax Box Number or other Tax Identification Number is MANDATORY for application to be processed.</b>		

## 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 \_\_\_\_\_

\_\_\_\_\_  
 Name of Firm \_\_\_\_\_ hereby affirm under penalties prescribed by

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 \_\_\_\_\_

\_\_\_\_\_  
 Name of Firm \_\_\_\_\_ hereby affirm under penalties prescribed by

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 \_\_\_\_\_

## 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, 2017

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 2017-2018 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

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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-
<b>Total</b> . . . . .	<b>\$ 40,000</b>	<b>\$ -0-</b>

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

**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>
<b>Total</b> . . . . .	<b>\$ 17,500</b>	<b>\$ 18,500</b>

**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>
<b>Total . . . . .</b>	<b>\$ 250</b>	<b>\$ 300</b>

*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

Number of Persons	Title	Hourly Rate	Hours on Project	Total	DCED Cost	Other Cost
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
<b>Total Salaries and Fringes . . . . .</b>	<b>\$ 32,406</b>	<b>\$ 32,683</b>

*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>
<b>Total . . . . .</b>	<b>\$ 250</b>	<b>\$ 250</b>

## CONSUMABLE SUPPLIES

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

## TRAVEL

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

*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
<b>Total . . . . .</b>	<b>\$ 1,900</b>	<b>\$ 1,950</b>

*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
<b>Total . . . . .</b>	<b>\$ 3,000</b>	<b>\$ 200</b>

*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
<b>Total . . . . .</b>	<b>\$ 500</b>	<b>\$ 500</b>

*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>
<b>Subtotal</b> . . . . .	<b>\$ 2,000</b>	<b>\$ 2,150</b>
Other -		
Telephone - \$90/month x 12. . . . .	\$ 580	\$ 500
Postage - \$25/month x 12 . . . . .	150	150
Vehicle Maintenance. . . . .	<u>300</u>	<u>450</u>
<b>Subtotal</b> . . . . .	<b>\$ 1,030</b>	<b>\$ 1,100</b>
<b>Total</b> . . . . .	<b>\$ 3,030</b>	<b>\$ 3,250</b>

*Note: Consultant services of \$10,000 or more must receive prior written approval from the Department. A written contact 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>
<b>GRAND TOTAL</b> . . . . .	<b>\$ 142,298</b>	<b>\$ 106,542</b>

## 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 (CFP) IN-KIND FOOD DONATIONS

### SECTION I: GENERAL INFORMATION

1. NAP PROJECT:	2. CONTRIBUTOR:
3. DATE(S) OF DONATION:	
4. DONATED VALUE:	5. 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: \_\_\_\_\_

### SECTION II: HOW YOUR DONATION IS VALUED

Category of Food (quantity in lbs)	Cost Per Lb.	Number of Lbs.	Total Allowable Cost
Meat	\$2.50		
Poultry	\$2.35		
Dairy	\$2.39		
Vegetables	\$1.05		
Fruit	\$0.86		
Grains	\$1.76		
Other	\$1.23		
<b>TOTAL:</b>			

### SECTION III: DECLARED PRODUCTION COST

Description	Quantity	Unit	Retail Cost	Unit Production Cost	Amount
<b>TOTAL:</b>					

AGENCY AUTHORIZED SIGNATURE:

DATE: