

HISTORIC PRESERVATION TAX CREDIT Third Party CPA Requirements

1. Each project must have Final Approval from SHPO first before notifying us.
2. The applicant will need to apply for each project that they are requesting a third party CPA review by submitting the request to DED at redvelopment@ded.mo.gov.
3. The third party agreement will be provided to the applicant for review and signatures. The third party CPA review process may begin upon receiving a signed agreement from DED.
4. The applicant is responsible for the following:
 - a. Submitting everything that they would normally send to DED to the third party CPA. This includes (but is not limited to):
 - i. Preliminary and Final Application
 - ii. Before and After Photos
 - iii. EXP-Form and Con-Form
 - iv. Sources of Funds (including but not limited to signed loan documentation, recorded deed of trust, promissory note)
 - v. Signed copy of construction contract and all change orders, if applicable
 - vi. All proofs of payment
 - b. Notifying DED in writing when they have submitted everything to the third party CPA.
 - c. Providing the third party CPA a copy of the letter indicating that DED received their preliminary application and other documentation as required per our guidelines, as well as a copy of the approval letter showing the amount of cap they are eligible for.
5. The applicant and CPA must adhere to the guidelines provided in the three party agreement by DED.
6. Once the third party review has been completed, The DED must be notified and must receive the expense review materials (if not already provided). We will also need:
 - a. A copy of a paid bill for third party CPA expenses incurred by the applicant. We must receive this proof before we can issue credits.
 - b. A summary of findings for audit including:
 - i. A listing of all the sources of funds (with amounts)
 - ii. A listing of all of the entities who incurred and paid expenses.
 - iii. A listing of all expenses that are accrued with amounts (if applicable)
 - iv. A listing of funds such as loan or capital contribution from not-for-profit (regardless of whether or not they are an IOI), and any incurrence or payment by not-for-profit.
 - v. An itemized listing of all expenses disallowed during the review (with reasons why). Please refer to QRE and non-QRE listings on our website for projects under the rules as of 3/30/19 at [https://ded.mo.gov/sites/default/files/programs/program-documents/List%20of%20Qualified%20Expenditures%20\(mkt.%20version\).pdf](https://ded.mo.gov/sites/default/files/programs/program-documents/List%20of%20Qualified%20Expenditures%20(mkt.%20version).pdf) and [https://ded.mo.gov/sites/default/files/programs/program-documents/List%20of%20Non-Qualified%20Expenditures%20\(mkt.%20version\).pdf](https://ded.mo.gov/sites/default/files/programs/program-documents/List%20of%20Non-Qualified%20Expenditures%20(mkt.%20version).pdf).

1. Please note that DED does not allow hard costs incurred prior to the receipt of the preliminary application for projects under the rules as of 2/28/09.
- vi. Notes regarding duplications of efforts.
- vii. Cost threshold requirements regarding the 10% statute requirement – applicant is responsible for providing a copy of the letter and affidavit from DED regarding this if they receive one.
 1. CPA must perform the 10% test if this applies. DED requires at least 10% of estimated eligible costs as indicated per the preliminary application, and proof the applicant started the work within 2 years of the date of the approval letter for applicants that fall under the requirements as of 2/28/09 or within 9 months for applicants that fall under the requirements as of 8/28/18
- viii. Calculation of final developer fee threshold, profit, overhead and general requirements.
 1. Please note that we will require a spreadsheet showing each final calculation.
- ix. A listing of entities not registered with Missouri Secretary of State.
- c. All copies of correspondence between the applicant and the third party CPA.