

Neighborhood Assistance Program

**FY 2017 Start Smart Initiative
Guidelines & Application**

Submission Deadline: May 13, 2016



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SPECIAL NOTICE

The Tax Credit Accountability Act of 2004 (Sections 135.800-135.830, RSMo) makes several changes to certain tax credit programs, to include:

A. Changes in Processing of Tax Credits (Section 135.815, RSMo)

Before tax credits can be authorized, the Missouri Department of Economic Development (DED) is required to verify with the Departments of Revenue and Insurance that the applicant does not owe any delinquent income, sales, use, or insurance taxes, as well as interest or penalties on such taxes. If a delinquency exists, the amount of any tax credits issued will be reduced by the delinquent amount. Should any credits remain after satisfying the delinquency[ies], such credits will be issued. Further, any applicant who purposely and directly employs unauthorized aliens will forfeit any credits that have been issued, but not redeemed, and shall repay the amount of any redeemed credits during the period of time any such alien was employed by the applicant.

B. Reporting Requirements (Section 135.805, RSMo)

Pursuant to Section 135.805, RSMo, for a period of two years following the issuance of tax credits, a tax credit recipient shall submit annually to the MO Department of Revenue, information pertaining to the project for which Neighborhood Assistance Tax Credit Program (NAP) credits were issued. Section 135.805(10), RSMo also clarifies that “no person or entity shall be required to make an annual report until at least one year after the credit issuance date”; therefore, a tax credit recipient is likely to only be required to submit two (2) annual reports during the three years following issuance. The approved NAP organization shall report the actual number of jobs created as a result of the tax credits on the last day of the annual reporting period, separated by part-time permanent and full-time permanent for each month of the preceding twelve-month period. Also, because NAP is a community development tax credit, a recipient shall, for the reporting periods, confirm the title and location of the project, the estimated or actual time period for completion of the project, and all geographic areas impacted by the project. The report required by this section shall be due annually on June 30; however, a full year must pass after the issuance of the tax credits before reporting is required (but not before June 30, 2018).

C. Penalty Provisions (Section 135.810, RSMO)

Once credits have been issued, any failure to meet the annual reporting requirements, or any determination of fraud in the application process, shall be subject to the incremental penalties provided in Section 135.810, RSMo. Failure to report for more than six months, but less than a year, shall result in a penalty of 2% of the value of the credits for each month of that delinquency. Failure to report for more than a year shall result in a 10% penalty for each month of delinquency up to 100% of the value of the credits. Any fraud in the application process will result in a penalty equal to 100% of the credits issued.

D. Closed Records (Section 610.255, RSMo)

Records and documents submitted as part of an application for tax credits to DED are closed records until such time as the information no longer concerns a pending application (i.e., where no credits have yet been authorized). That said, DED retains the authority to close records or documents that “relate to financial investments in a business, or sales projections or other business plan information which may endanger the competitiveness of a business” or as also provided by law. In the event a document or record contains both open and closed records, DED will provide a redacted version of such record or document in order to protect otherwise closed information.

NEIGHBORHOOD ASSISTANCE PROGRAM

START SMART INITIATIVE

OVERVIEW

Administered by the Missouri Department of Economic Development (DED), the Neighborhood Assistance Program (NAP) was created to help improve endangered communities through a public-private partnership. If eligible, an applicant may be granted assistance, in the form of tax credits, to help attract eligible donors who would be able to, in effect, redirect their Missouri tax dollars to an approved community development project.

The DED is currently accepting proposals for financial assistance to support capital improvement and program start up costs related to Governor Nixon's "Start Smart Initiative". Children's participation in pre-kindergarten contributes to success in elementary, secondary and post secondary education, which ultimately impacts career opportunities. The Department is providing resources to support the development of new or the expansion of existing high-quality early childhood and pre-kindergarten educational opportunities specifically directed at children of low and moderate income families.

Eligible capital improvement costs may include acquisition, new building construction, rehabilitation of existing properties, and related soft costs associated: appraisal; closing costs; engineering and architectural costs; inspections; and permitting. Program start-up costs may include costs such as equipment related directly to curriculum delivery and teacher training. Applicants may seek capital improvement funds, programming funds, or a combination of both.

Applicants must meet the same eligibility criteria necessary to receive funding from the Missouri Preschool Project. Those criteria may be found on the Missouri Department of Elementary and Secondary Education (DESE) website at: <http://dese.mo.gov/early-extended-learning/early-learning/missouri-preschool-program>

Each applicant shall also adhere to the *Early Learning Program Standards* adopted by the Missouri State Board of Education in September 2011, which may be found on the DESE website at: <http://dese.mo.gov/sites/default/files/eel-el-2014-EarlyLearningProgramGuidance.pdf>

Under the NAP Start Smart Initiative, a tax credit is equal to 50% of the value of contributions.

ELIGIBILITY

There are three types of eligibility requirements under NAP: applicant eligibility, project eligibility, and donor eligibility.

A. Applicant Eligibility

An applicant must be a:

Neighborhood Organization: An organization located in Missouri that:

- is incorporated as a non-profit corporation pursuant to Chapter 355, RSMo;
- is designated as a community development corporation under Title VII of the Economic Opportunity Act of 1964; or,
- holds a 501 (C)(3) IRS ruling that the organization is exempt from federal income tax.

If an organization is incorporated on a statewide, regional or national level, or established through Congressional Charter, its local affiliates, chapters, divisions, or branches are each permitted to submit an application, provided that a locally controlled Board of Directors is empowered and assumes all administrative and financial responsibility for the local chapter, division or branch. Local boards that serve in only an advisory capacity are not eligible. DED retains the right to make a final determination of what constitutes a locally controlled board of directors. Also, all NAP donations must be deposited locally and the use of NAP donations must be controlled solely by the organization's local board of directors. Finally, the parent organization can have no authority over the use of NAP donations beyond defining the general organizational purpose(s) of the local organization.

The applicant must assume full administrative and financial responsibility for an approved project. Applicants may not administer more than one (1) community development project at a time.

B. Project Eligibility

In order for a project to be eligible, it must:

1. Involve a team consisting of the: nonprofit NAP applicant, participating school district(s), and local government(s); and,
2. Meet the same eligibility criteria necessary to receive funding from the Missouri Preschool Project. Those criteria may be found on the Missouri Department of Elementary and Secondary Education (DESE) website at <http://dese.mo.gov/early-extended-learning/early-learning/missouri-preschool-program>; and,
3. Must adhere to the *Early Learning Program Standards* adopted by the Missouri State Board of Education in September 2011, which may be found on the DESE website at <http://dese.mo.gov/sites/default/files/eel-el-2014-EarlyLearningProgramGuidance.pdf>

Proposals should not include projects that require attendance at religious services, or use any portion of the NAP funds to promote, encourage, advocate, or enlist any individual in any religion or faith or for any partisan purpose.

C. Donor Eligibility

In order to qualify to receive tax credits for a donation, a donor must be one of the following:

Business Eligibility	Tax Liability Type	Schedule Filed
Corporations	Corporate, Franchise Tax	MO Form 1120
Farm Operation	Individual Income Tax	Federal Form 1040, Schedule F, MO Form 1040
Financial Institution*	Financial Institution Tax	MO Financial Tax Return
Individual partner in a Partnership or individual shareholder in an S-Corp	Individual Income Tax	
Individual reporting income from rental property or royalties	Individual Income Tax	Federal Form 1040, Schedule E, MO Form 1040
Insurance Company	Gross Premium Receipts Tax	Missouri Insurance Tax Return with the MO Dept. of Insurance
Limited Liability Corporation or Partnership	Individual Members Income Tax, Franchise Tax, Fiduciary Tax	MO Form 1120, 1120S or 1065
Charitable Organizations exempt from Federal Income tax.	Income Tax-organizations must have unrelated business income.	
Partnership	Individual Partners' Income Tax	MO Form 1065
Sole Proprietorship	Individual Income Tax	Federal Form 1040, Schedule C and MO Form 1040
Small Business Corporation (S-Corp)	Individual Shareholders' Income Tax, Franchise Tax	MO Form 1120S

II. NAP BENEFITS

This section identifies the benefits associated with NAP credits as well as the restrictions or limitations that may apply.

A. Value of Tax Credits

Credits will equal 50% of the value of the contribution for an approved project. While the NAP tax credits may be claimed against a variety of state tax liabilities, they must be claimed in the following order: (1) Gross Premium Receipts Tax; (2) Financial Institution Tax; (3) Corporate Franchise Tax; (4) Corporate and Individual Income Tax; and (5) Gross Receipts Tax.

Further, the amount of the tax credit claimed by a taxpayer shall not exceed the amount of such taxpayer's liability for the tax year in which the credit is claimed. While the tax credits are not refundable or transferable, they may be carried forward for up to five years.

B. Type and Value of Approved Donations

To qualify for tax credits, donations must be provided directly to the nonprofit during the approved project period, and such donations must be applied to the authorized NAP project. In no case shall the value of the donation include sales tax and/or profit margin.

The following types of donations qualify for tax credits (according to the value associated with each):

- Cash - the amount of the cash donation;
- Materials, supplies, equipment – the lesser of either the fair market value or the cost to the donor (may include the reasonable costs incurred by the donor in receiving the contribution [e.g., transportation]);
- Professional services - standard or reduced billing rate;
- Labor – employee’s hourly wage plus fringe;
- Real Property – the lesser of two independent appraisals performed no more than 18 months prior to the donation;
- Publicly-Traded Stocks - stock market price upon transfer (organization must sell within a year from the date of contribution before tax credits are approved); and
- Bonds – face value. The bond must be mature at the time of transfer (organization must sell the bond within a year from the date of contribution before tax credits are issued).

C. Restrictions on Certain Donations

The following restrictions apply to some of the aforementioned donations. The DED reserves the discretion to determine the scope of the following restrictions:

1. Real Property:

- Title must be held free and clear by the donor to be eligible;
- Tax credits will be pro-rated to reflect only the portion of the land used for the NAP project; and
- Transactional costs associated with real estate acquisition, construction and renovation are ineligible.
- Credit is based on the lesser of two independent appraisals conducted by state-certified or state-licensed appraisers. Appraisals must be performed no more than 18 months prior to date of contribution. Only one appraisal is required when the property is:
 - Commercial property with appraised value less than \$50,000; or
 - Vacant or residential property with appraised value less than \$25,000.
- Tax credits cannot be used for contributions made to cover the costs of the removal or abatement of hazardous materials;

2. Non-Cash Donations: In order to receive materials and other tangible items, the applicant should specifically list any such items on the budget submitted to DED. Also, only food bank organizations will be permitted to offer NAP tax credits on donated food items (the value of donated items will be based on a formula approved by DED).

3. Professional Services: Professional services must directly pertain to the approved NAP project. Also, the production of printed or audio-visual materials only qualifies when such materials present services provided by the Non-profit. Finally, in-kind donations of audit services are restricted to the review of the NAP project.

4. Miscellaneous:

- Taxes must be paid on the income from the sale of goods and services to be a qualifying donation;

- Donations applied toward fundraising activities do not qualify for NAP tax credit;
- Tax credits may be issued for the value of targeted employee training but not for wages provided for work performed that directly benefits a business; and
- Membership fees paid to non-profit organizations are not eligible.

III. PROJECT TYPE

Start Smart Initiative projects are classified as **service delivery**, **capital campaign**, or **combination** project. All applications must include budgets that provide for expenses allowed under the chosen classification (*see Section V*).

A **service delivery project** is one that involves the provision of services that address a targeted problem or need in a neighborhood.

A **capital campaign project** involves the acquisition, construction, improvement, and/or renovation of real property that will house services to address a targeted problem or need in a neighborhood. Evidence of site control is required for these projects (see **Attachment D** of the application). It is important to point out that any property that is acquired, built, renovated or improved must be used to carry out the activities of the Non-profit for at least five (5) years after the Project Period end date. If the facility is sold earlier than the five (5) years, the sale price must be at least 90% of the fair market value, with proceeds applied either toward a replacement facility for the Non-profit or some other activity approved by DED, or repayment of tax credits may be required. For a capital campaign project, an organization must show that all funding has been secured before commencement of a project will be authorized.

A **combination project** includes a capital campaign followed by service delivery.

Capital Campaign Requirements

- Evidence of site control is required for capital projects (see **Attachment D** of the application).
- All NAP donations and Other Sources of Funding must be secured prior to: the acquisition of property (when NAP donations or credits will be utilized for the acquisition), the start of new construction, and the start of significant renovation projects (where complete renovation is required to make the facility usable). Projects must submit a Funding Certification form and supporting documentation to DED for approval.
- For new construction and complete renovation of a facility, a professional, qualified engineer or architect must certify upon project completion (using the Engineer/Architect Certification Form) that all work adheres to specifications, standards, codes, etc.
- A Phase I Environmental Site Assessment report (including the credentials of those conducting the assessment) must be performed, and submitted to DED within ten (10) working days prior to closing, on all non-residential real estate contributed or purchased using NAP contributions. A Phase I Assessment is a property history and a noninvasive physical assessment of the real property conducted in accordance with American Society for Testing and Materials (ASTM) Standard E.1527 (see www.astm.org).





- Further testing may be required, based on the results of the Phase I Assessment findings. Any hazardous substances must be properly removed or abated in accordance with applicable regulations.
- Property that is acquired, built, renovated, or improved must be used to carry out the activities of the non-profit for at least five (5) years after the project facility becomes operational.
- For projects where the approved applicant owns (or is acquiring) the property that will be renovated or constructed, the approved organization must record a **Restrictive Covenant** with the property's deed that prohibits the sale of the property for a period of five (5) years after the project facility becomes operational.
- Failure to record the restrictive covenant within fifteen (15) days of when the building becomes operational will result in repayment of tax credits.

IV. APPLYING FOR NAP

A. How to Apply

Applications must be received by DED no later than **May 13, 2016**. Applications must meet eligibility and minimum score requirements to be approved (*see Section VI*). The DED reserves the right to create additional submission opportunities. There is no application fee to submit a proposal.

For the narrative portion of the application, responses should be single-sided, typed, with 12-point font, and 1-inch top margins. Each answer should be preceded with the number of the corresponding question. The application should contain original signatures and be submitted unbound (including attachments). Do not submit duplicate copies of the application. Applicants will be notified of receipt of the application via mail or e-mail. Send your application to DED's Jefferson City office at the following address:

MO Department of Economic Development
Start Smart Initiative
301 West High, Room 770
Jefferson City, MO 65102

B. Application Definitions

The following definitions will help applicants better understand NAP and the application process.

- **Project Period** – The timeframe in which all project activities, fundraising, service delivery, expenditures, and/or construction related to the proposed project, must be completed (excluding the required final report and audit);
- **Services** - Any activities that relate to a proposed project. Activities should respond to a community need and must be clearly tied to the project outcomes, targets, verification tool, and milestones;
- **Project Outcomes** – Reflects what an organization would like to and can reasonably accomplish through a project.

- **Project Timeline & Milestones** - Milestones are essential (and verifiable) steps that must be achieved in order to reach a target. Milestones should cover the entire timeline for the proposed project. The timeline should indicate when each milestone will begin and end. Capital campaigns should include milestones related to the acquisition, construction or renovation of a property, as well as the date of occupancy, and when services will begin.
- **Preliminary Architectural/Engineering Report** - If your proposal involves construction, property acquisition, or renovation, a preliminary engineering/architectural report must be prepared by a registered professional engineer, or by a registered architect for the construction or rehabilitation of a building. The report must be sufficient in scope to analyze the need, determine the most appropriate solution, provide a cost estimate, and determine the level of operation/maintenance necessary to sustain the improvement.

The following shows **sample** content of the **Preliminary Architectural Plan**.

Architectural Report Content

- 1) Name of applicant or owner of the facility
- 2) Name, address, telephone of the architectural firm
- 3) Date of report
- 4) Statement summarizing the goals of the project and the design principles governing the project (e.g. principles may be public spaces receive the highest level of preservation; preserving the primary elevations of the building was important; retaining as many original design elements as possible was important, etc)
- 5) Photographs of existing conditions exterior and interior labeled and keyed to the site map and floor plans. Preliminary photographs can be 3x5 color or black and white. Photographic documentation requirements are found in the ADA technical assistance manual, available by request from the CDBG office.
- 6) Topographic Map
- 7) Area map: Shows where the project is located in the city or town
- 8) Site map: Shows building[s]/site and adjacent street, with appropriate notations, such as a north arrow and main entrance of the building.
- 9) Proposed floor plans: Complete scaled floor plans of the proposed structure. Indicate all new construction.
- 10) Demolition Plans: Complete scaled floor plans of the existing structure. Indicate all proposed demolition. Elevation sections (even in sketch form) must be submitted as part of the preliminary architectural plan.
- 11) Elevations: All elevations of the existing building. If any elevation is to be changed, those changes must be noted.
- 12) Sections: Sections should be provided when necessary to understand the project. Call the State Historic Preservation Office (SHPO) to determine if Sections are necessary.
- 13) Specifications: Specifications must be provided; general notes are acceptable in the preliminary stages of a project.

14) Architect should include in plan a statement or certification that all improvements are consistent with the Americans with Disabilities Act and related laws.

15) Submit renderings if available.

Note: Floor plans, elevations and sections must be drawn and notated with standard architectural forms and notations (e.g. plans must be drawn accurately; the entire building should be drawn; the width of the walls should be shown; doorways and door swings indicated, materials indicated when appropriate, etc.).

Fundraising Plan - A detailed description of all activities and events that will be conducted to solicit donations for NAP tax credits. The plan should include the names of those responsible for fundraising as well as those responsible for implementing specific activities. A detailed fundraising timeline with milestones should also be included.

Fundraising Plan Example:

Activity	Reach	Timeline
Board Members will contact at least 2 eligible contributors	14 contacts made	Quarterly; beginning July 2016
Development Director will meet with local businesses/Chamber of Commerce to discuss the project and the tax credits.	At least 3 businesses	Quarterly during fundraising period
Direct mail campaign – new donors	1,000 letters	August 2016
Annual Charity Golf Event	10 businesses/teams \$2,500 per team	September 2016
Contact accountants concerning availability of tax credits	20 contacts	November 2016
NAP Donations raised as of December 2016		\$150,000
Board Members will contact at least 2 eligible contributors	14 contacts made	Quarterly; beginning January 2017
First Annual Gala & Auction	200 attendees; \$100 couple	April 2017
NAP Donations raised as of July 2016		\$250,000(cumulative)
Direct mail campaign	1,000 letters	August 2017
Annual Charity Golf Event	15 businesses/teams; \$2,500 per team	September 2017
Contact accountants for remaining tax credits	20 contacts	October 2017
NAP Donations raised by December 2016		\$332,496 (cumulative)

- **NAP Budget** – The NAP column of the budget page should include all expenses to be funded with donations raised utilizing NAP tax credits. Combined, the NAP budget column plus the Other Sources column should reflect the total project cost.
- **Other Sources of Funding** - Identified funding sources to close the gap between the requested NAP funds and the total project cost. Applicants should indicate each type of funding, the amount, whether it is pending or secured, the expenses expected to be funded with each, and whether the funding is restricted.

V. BUDGET: CATEGORIES AND ALLOWABLE EXPENSES

Whether a service delivery project or a capital campaign project, the NAP portion of the project's budget should be equal to the amount that is donated up to the value of the tax credits requested. Budgets should be type-written and show actual dollar amounts (not tax credit values) rounded to the nearest dollar (not factoring in sales tax), and should only include allowable expenses. The total amount of actual dollars donated toward eligible project costs shall not exceed \$500,000 per project (\$250,000 in 50% credits).

Costs should be itemized and further broken out if there are multiple project locations. Administrative salaries and general overhead expenses should be pro-rated to reflect the percentage that such expense is related to the NAP portion of the project, and should be limited to 30% or less for each expense that is related to the NAP portion of the project. During the application review, DED will screen the expenses for eligibility and may adjust the proposed budget. Applicants will be notified regarding any disapproved items.

Expenses or portions of expenses to be funded with NAP fundraising dollars should be entered in the NAP Budget column and should be clearly tied to the activities and outcomes of the proposal. All other expenses should be entered in the "Other Sources" column. Enter all items that will be donated to your organization for NAP tax credits or purchased with NAP cash donations. If the NAP-leveraged funding will only support a portion of the budget, please provide specifics regarding the other funding that will be secured for the project. See below for further guidance.

- **Salaries/Fringe** – Should include only full and part-time staff members who are implementing the NAP project. Amounts should be pro-rated to reflect the approximate percentage of time devoted to the project. Indicate the amount of each salary that NAP funds will cover and the amount to be funded by other sources. Only one salary will be approved for a capital campaign project (for project oversight).
- **Contracts** – Paid services required for the NAP project that are not compatible with the hiring of staff. These services can include legal, auditing, architectural, engineering and other services approved by NAP that are needed to implement the project. Fundraising services and expenses are not eligible. If your project budget includes an audit, only the cost of the NAP project audit may be included for tax credit. A onetime audit specific to NAP is required if an organization uses \$25,000 or more in tax credits.
- **Travel** – Client transportation; Staff travel costs may include expenses required to participate in professional training related to the implementation of the NAP project. However, costs related to staff travel are considered administrative expenses and should be pro-rated.
- **Equipment** – The purchase, lease, or rental of equipment, furnishings, appliances and other related items that will be used in the proposed NAP project. Please use reasonable and current market value in your area to determine cost. For service delivery projects, NAP funding of the lease/rent of equipment may be limited or prorated.
- **Supplies** – Supplies that are necessary to implement the project during the project period. Use a separate figure for any unusually large supply needs that relate to the nature of the NAP project and separately identify general office supplies from program supplies. Office

supplies, such as paper, paper clips, postage, toner cartridges, etc. should be calculated at a reasonable use and should be minimized (often limited to 30%).

- **Building Space** – A limited amount of rent or lease expense for program space utilized during the NAP project period is eligible for NAP funding. Costs should be comparable to the fair market value for rent in the community or geographic area and should be pro-rated to reflect only the space used for the NAP project.
- **Construction** – New construction, expansion and/or renovation of a building. All construction cost figures should be reasonable and based on prevailing costs in the community or geographic area. Please provide a breakdown of construction costs and cost per square foot.
- **Property Acquisition** – Land and/or structures that will be acquired to complete the NAP project. Costs should be based on recent appraisals.
- **Other Costs** – Other items essential to a NAP project that do not fit into one of the provided categories may also be included, such as utilities, phones, building and vehicle maintenance, and insurance (such overhead costs should be pro-rated for NAP purposes). You must identify the expenses included within the “Other Costs” category.

BUDGET EXAMPLES (examples are not exhaustive; provided to show the level of detail required).

Service Delivery Budget Example

NAP BUDGET LINE ITEM & COST BREAKDOWN	NAP BUDGET	OTHER SOURCES	TOTAL PROJECT COST
Salaries Project Director (\$45,000 x 20% of time) \$9,000 Classroom Teachers (\$35,000 x 65% of time) \$22,750 (Federal grant for portion of salaries)	\$31,750	\$48,250	\$80,000
Equipment - Computers (new, for student lab) 2 @ \$3,000 Equipment \$7,000 File Cabinet (1 @ \$250) \$250 (breakdown of equipment attached)	\$5,000 \$4,000	\$1,000 \$3,000 \$250	\$6,000 \$7,000 \$250
Contracts Audit \$2,000	\$ 2,000		\$2,000
Supplies Office Supplies \$3,000 x 25% for NAP Program manuals and educational materials \$800	\$750 \$800	\$2,250	\$3,000 \$800

Capital Campaign Budget Example

NAP BUDGET LINE ITEM & COST BREAKDOWN	NAP BUDGET	OTHER SOURCES	TOTAL PROJECT COST
Property Acquisition - \$60,000 City donating other cost (see answer to q. 6)	\$35,000	\$25,000	\$60,000
Site Work - \$22,500 Excavation (\$15/cu yd @ 500 yd) \$7,500 Asphalt paving \$10,000 Other costs funded by non-NAP donations (see answer to q. 6)	\$17,500	\$5,000	\$22,500
Floor Coverings - \$25,000 Vinyl Comp Tile \$5,000 Base and Carpet \$10,000 Other costs funded by non-NAP donations (see answer to q. 6)	\$15,000	\$10,000	\$25,000
Project Administrator Salary - CEO - oversight of tax credits and construction, 10% of time (\$50,000 x 10%)	\$5,000	\$0	\$5,000

VI. Attachments to the Application

There are two types of attachments required with submission - **Start Smart attachments** and **NAP Specific attachments**. All attachments must accompany the application at the time of submission. Applications received that are missing attachments at the time of submission may be disqualified.

1. **Start Smart Narrative Attachments** - Documents to support the responses given in the narrative. Start Smart Narrative Attachments are listed on page 26.
2. **NAP Specific Attachments** include:
 - a. **Attachment B – Letters of Support** – Applicants are required to provide letters of support from a State Representative and a State Senator. If conducting a capital campaign, the letters should be provided from the Representative and Senator representing the district which the construction/renovation will be conducted. For service delivery projects, letters should be provided from the Senator and Representative representing the district in which the applicant’s headquarters is located. To determine who your legislators are, utilize the Office of Administration’s “Find Your Legislators” search at: <https://ogi.oa.mo.gov/LEGIS/LegislativeDistrict/index.html>

Applicants may also submit letters of support from individuals (other than members of the organization’s board and staff), partner agencies, and/or clients. Additional letters are optional.

Letters of support should be dated within six months of submission of the application.

- b. **Attachment C – Local Government Certification** - NAP requires that each applicant submit a local government certification stating that the project does not interfere with existing city plans or ordinances. This is not an endorsement by local government.

- c. **Attachment D – Site Control Document** - If your proposal involves any construction, property acquisition, improvement, or expansion, evidence must be provided to indicate that your organization has control over the site where the proposed acquisition, construction, improvement or renovation will take place. Review and complete this attachment and submit it with the appropriate documentation.
- d. **Attachment E – Applicant Certification** - This form certifies that your organization does not employ illegal aliens (undocumented workers) or those who have a felony conviction or have not paid taxes, etc., and that the information contained in the application is true, correct and complete. The Certification form must be signed (by the Executive Director of the organization or by a person duly authorized to represent the applicant organization) and notarized.
- e. **Attachment F - E-Verify MOU** - In addition to certifying that your organization does not employ illegal aliens, all applicants must: (1) enroll in E-Verify; (2) check the box on the Certification confirming enrollment and participation in E-Verify, and (3) provide supporting documentation. All applicants must complete this form and attach a copy of the E-Verify memorandum to be eligible for NAP.

The E-Verify Program, conducted jointly by the U.S. Citizenship and Immigration Services (USCIS) Verification Division and the Social Security Administration (SSA), is designed to provide employment status information to determine the eligibility of applicants for employment. E-Verify requires that participating commercial employers use the automated Verification Information System (VIS) to check the SSA and the USCIS databases to verify the employment authorization of ALL newly hired employees. An employer's participation in E-Verify is currently free. To access the E-Verify website, go to: <https://e-verify.uscis.gov/enroll/>

To access the ‘electronically signed MOU’ – the following must already be completed:

- Must have successfully enrolled in the E-Verify program,
- Must have successfully completed the tutorial.

To retrieve a copy of your electronically signed MOU:

- Wait until a you have received a Confirmation email from E-Verify / USCIS that the Company is successfully enrolled in the program;
- Log back into the Account
- Click on “Edit Company Profile” in the left menu
- Scroll about halfway down and click on the green “View MOU” button. (Make sure all pop-up blockers have been disabled – the electronically signed version pop-ups in a separate screen)
- ONLY the Program Administrator can access the electronically signed MOU

For additional assistance, you can contact E-Verify using the toll free Help line number, 888-464-4218.

VII. SCORING THE APPLICATION

A. Initial Screening

Applications will be initially screened to determine if basic eligibility requirements are met and that the application is complete. For those applicants that have previously been approved for NAP tax credits, it should be noted that past performance will also be considered in determining project approval. Further, all organizations must be in good standing with the Secretary of State when applying to NAP. To find out if your organization is in good standing, call (573) 751-4153 or visit the Secretary of State Business Entity Database at:

<https://bsd.sos.mo.gov/BusinessEntity/BESearch.aspx?SearchType=0>

B. Reviewing the Application

If an application has met all basic eligibility requirements, DED and DESE will review written responses and the submitted budget. Written responses will be evaluated on the following criteria:

- **Need** – defined as the availability and capacity of early childhood educational opportunities in the proposed service area;
- **Impact** – defined as the extent to which the proposal will address the documented population of children in the proposed service area without access to quality early childhood education opportunities;
- **Efficiency of Plan**– defined as the cost per square foot and the cost per beneficiary;
- **Capacity**– defined as the non-profit applicant’s history and experience in early childhood education and its relationship with the local school district;
- **Sustainability** – defined as the strength of the plan for ongoing operation beyond the term of the funding requested;
- **Quality** – defined as a subjective analysis of the curriculum and educational instruction proposed, as evaluated by professionals with expertise in early childhood education;
- **Outcomes** – defined as the degree of which measures are proposed to effectively and objectively measure project outcomes;
- **Beneficiaries** – defined as the cost per beneficiary.

VIII. NOTIFICATION OF APPROVAL/DISAPPROVAL

Awards will be made and Agreements (contracts) will be sent to those organizations selected approved for a NAP project. Those organizations that are not approved will receive a denial notification in writing. NAP Rules provide an appeals process for applicants (12 CSR 85-2.020). The appeal must be submitted in writing to the Department Director within ten (10) business days after receipt of the disapproval notice.

Approved organizations will be required to attend an administrative training workshop. The workshop will provide information on the contractual obligations of approved NAP organizations as well as the reporting (content) requirements for the program.

IX. REPORTING REQUIREMENTS

For approved NAP projects, organizations are required to submit the following items:

- Quarterly reports, due within 15 days after the end of each quarter (detailing progress);
- Any requested amendments to items such as the budget, performance targets, etc;
- A Final Report is due within 30 days of the end of the project;
- A Statement of Final Expenditures is due within 30 days of the end of the project (if actual expenditures differ from the original approved budget);
- An audit is due within 6 months of the end of the project period if \$25,000 or more in tax credits are utilized; and
- Tax Credit Accountability Annual Report.

X. REPAYMENT AND DISPOSITION

If an organization fails to complete the approved project or is found to be non-compliant with NAP requirements, the organization may be required to reimburse the State a monetary sum equal to the value of the tax credits issued.

- If, during the **five years** after the project period ends, an organization disposes of land, buildings, vehicles or equipment that was purchased or donated with assistance of NAP credits (including leasehold improvements), a percentage of tax credits approved for the project must be repaid to the State (see schedule below).

During Year	Percent of NAP Tax Credit to be Repaid
1	100%
2	80%
3	60%
4	40%
5	20%

XI. NAP APPLICATION ASSISTANCE

As a partner in community development, DED’s Neighborhood Assistance Program is committed to assisting non-profit organizations and businesses with the application process by offering technical assistance. The Department has an instructional webinar on the program that can be found by going to: www.ded.mo.gov then clicking on “Program Incentives”. The Start Smart 2017 Initiative Application process webinar can be found under the “Community Development” heading, under “Links”.



Truman State Office Building
 301 West High Street, Room 770
 PO Box 118
 Jefferson City MO 65102

Telephone: 573-751-4539
 Fax: 573-522-4322
 Web: www.ded.mo.gov

STATE USE ONLY

NEIGHBORHOOD ASSISTANCE PROGRAM 2017 START SMART INITIATIVE APPLICATION (Section 32.100, 32.115, RSMo)

Applicant (Official or Legal Name)		NAICS*	MITS/MO ID No.	FEIN
Project Title		**Project Location (Street, City, County, 9-digit ZIP Code)		
Contact Person/Project Administrator (First Name, Middle Initial, Last Name, Title)				
Mailing Address (Street Address, P.O. Box, City, State, 9-digit Zip Code)				
Day Phone (include extension) ()		Fax Number ()		E-mail Address
Agency Director (First Name, Middle Initial, Last Name)			Date of Birth	
Title			Day Phone (include extension) ()	
Proposed Project Period (Choose only one) <input type="checkbox"/> 12 Months <input type="checkbox"/> 24 Months <input type="checkbox"/> 36 Months The project period is the timeframe in which all activities, i.e. fund-raising, service delivery, expenditures, and/or construction, will be completed.		Project Type (Choose one) <input type="checkbox"/> Service Delivery <input type="checkbox"/> Capital Campaign <input type="checkbox"/> Combination		Organization Size (Choose one) <input type="checkbox"/> < 100 <input type="checkbox"/> 100-500 <input type="checkbox"/> >500

***NAICS**, North American Industry Classification System, is the industry classification system used by the statistical agencies of the United States. NAICS replaces the 1987 Standard Industrial Classification (SIC). The NAICS is used for classifying business establishments to assist with gathering data related to measuring productivity, unit labor costs, and the capital intensity of production, employment and other information. Missouri businesses are assigned a NAICS when the company files a "Report to Determine Liability Status" with the Missouri Department of Labor and Industrial Relations to determine Unemployment Tax Liability. Normally, a general business employer becomes liable for the tax and responsible for providing unemployment insurance for its workers when it:

- Pays \$1,500 in wages (cash and in-kind) in a calendar quarter, or
- Has an employee in some portion of a day in each of 20 different weeks, or
- Becomes liable under the Federal Unemployment Tax Act (FUTA) and employs a worker in Missouri, or
- Acquires and continues without interruption substantially all the business of a liable employer.

If you don't know your NAICS code please call (573) 751-3340. If your organization has not been issued a NAICS code, please indicate N/A on this form.

**Provide the physical location where your project will take place. If your project takes place at more than one site, submit the addresses for all sites (street, city, county, 9-digit zip). You may find the 9-digit zip by accessing: www.usps.com and clicking on "Find A Zip Code."

APPLICANT ELIGIBILITY

Mark the eligibility category for your organization. Choose only one.

- Incorporated in the state of Missouri as a domestic not-for profit corporation under Chapter 355 RSMo on the following date: _____. Attach Articles of Incorporation
- Incorporated under the laws of another state and allowed to operate in Missouri as a foreign not-for-profit corporation under Chapter 355 RSMo on the following date: _____. Attach Articles of Incorporation.
- Not incorporated separately but operating as a local chapter, branch, or division of the following “parent” organization (see guidelines for specific requirements). Attach parent organization’s Articles of Incorporation.

Parent Organization		
Street Address		
City	State	Zip
Contact	Title	
Day Phone	Fax	

- Business operating in Missouri. Attach your Articles of Incorporation.
- Tax Exempt 501(c)(3) status with the Internal Revenue Service (IRS) – **Attach a copy of your tax exempt letter from the IRS and Articles of Incorporation.**

PARTNERING SCHOOL DISTRICT

Applicant (Official or Legal Name)	NAICS*	MITs/MO ID No.	FEIN
Contact Person (First Name, Middle Initial, Last Name, Title)			
Mailing Address (Street Address, P.O. Box, City, State, 9-digit Zip Code)			
Day Phone (include extension) ()	Fax Number ()	E-mail Address	
Agency Director (First Name, Middle Initial, Last Name)		Date of Birth	
Title		Day Phone (include extension) ()	

FAITH BASED ORGANIZATIONS

- Yes No Are services rendered to clients without discrimination?
- Yes No Does your organization conduct any religious or partisan activities? If yes, attach a detailed description of those activities/services.
- Yes No Does your organization require participation in any religious or faith based activities in order to receive services?

If **yes**, provide a description of structured/alternate activities that clients may participate in should they chose not to participate in religious activities.

LITIGATION HISTORY

1) Organization:

- a. Has the organization ever been convicted of a violation of any state and/or federal laws?
 Yes No
- b. **If yes**, provide the date, the Court, the charges at disposition and the case number. Attach as a separate sheet if additional space is required.

2) Principal (CEO, CFO, Principal, Managing partner, and Executive Director):

- a. Has the “principal” ever been convicted of a violation of any state or federal law?
 Yes No
- b. **If yes**, provide the date, the Court, the charges at disposition and the case number. Attach as a separate sheet if additional space is required.

3) Contact:

- a. Has the “contact person” or project administrator ever been convicted of a violation of any state or federal law?
 Yes No
- b. **If yes**, provide the date, the Court, the charges at disposition and the case number. Attach as a separate sheet if additional space is required.

START SMART NARRATIVE QUESTIONS

Instructions: On separate sheets of paper, please provide responses using 12-point font, single spaced type. Each response should repeat the question below using the numbering system on this document. The questions and their responses should be maintained in the same order as this document prescribes. Supporting documents may be added as attachments. Please respond to each question, including “not applicable” if that is the case.

1. Organizational Capacity of the Non-Profit Applicant:
 - a. Provide a brief description of the non-profit organization applicant, including its mission and history.
 - b. Describe in detail, the non-profit’s experience with pre-kindergarten and early childhood education. (Include whether you currently operate a facility and if so, include name, location, sq ft of building space, rent, own, number of children, age ranges, length of operation, licenses or accreditations, etc. Or, state whether you have never operated a facility.)
 - c. Provide an organizational chart depicting the non-profit organization’s current staff and duties.

2. Description of Need:
 - a. How many children do you propose to serve as a result of this project?
 - b. If you are expanding or renovating an existing facility, provide the number of children you are currently serving.
 - c. Provide a breakdown of the age groups of children you propose to serve.
 - d. Provide a detailed description of the proposed service area for the project. Use census block groups, street addresses, jurisdictions or other descriptive features that indicate the service area and market.
 - e. Using census data or other sources, provide the number of early childhood age children in the service area, by age-group.
 - f. What other early childhood educational opportunities currently exist in the proposed service area that serves those specific age groups?
 - g. How many children do they serve?
 - h. Is there a proven market demand for your services?
 - i. Is there a waiting list for children at the other facilities?
 - j. Is there a distinction of the services that you propose to provide as compared to the other facilities?

3. Low and Moderate Income Compliance:
 - a. Will your facility be restricted to serve exclusively children from low and moderate income households (defined as household income at or below 80% of county median household income)?
 - b. If so, indicate the eligible income amounts by family size that meet the low and moderate income definition.
 - c. If so, will your facility by-laws reflect the restriction?
 - d. Does your facility mission statement conform to the restriction?
 - e. Describe how your organization will document the family income for the children and families that you serve.
 - f. Is the facility located in a service area where 51% of households meet low and moderate income definition?

- g. Provide the source documentation that indicates that your service area meets the 51% low and moderate income qualification.

4. Standards of Early Childhood Facility:

- a. State whether the minimum educational and experience requirements for proposed staffing of the pre-kindergarten program will match or exceed the following standards:

Supervisor/Administrator qualifications: Baccalaureate degree with recommended competencies

- Knowledge and experience in early learning, including curriculum, assessment, inclusive practices, and working with diverse children and families
- Demonstrated ability to lead, mentor, evaluate and support staff
- Knowledge and experience in managing funds
- Skills in community collaboration.

Teacher qualifications: Baccalaureate degree/certification in early learning, early childhood education, early childhood special education or child development. For infant or toddler teachers, coursework and student teaching should provide more experiences with infants and toddlers.

Paraprofessional/Teaching Assistant qualifications: Child development associate credentials (for appropriate age group) (minimum) or associate of arts degree in early childhood or 60 related college credit hours (preferred), and skills and training to match responsibility.

- b. Indicate whether staffing for the pre-kindergarten program will be provided by the non-profit directly or whether the non-profit will contract with a school.

If the answer to 4.b. above is a school, please answer questions 4.c, 4.d., 4.e., 4.f.

If the answer to 4.b. above is the non-profit, please answer questions 4.e, 4.f.

- c. Describe in detail, the school's experience with pre-kindergarten and early childhood education (Include whether they currently operate a facility and if so, include name, location, sq ft of building space, rent, own, number of children, age ranges, length of operation, licenses or accreditations, etc. Or, state whether they have never operated a facility).
- d. If the school currently operates a facility, provide an organizational chart depicting the schools current staff and duties.
- e. Provide a detailed description of the curriculum (existing or proposed).
- f. Describe how your facility matches or exceeds the minimum space standards provided below:

Indoor space includes 50 square feet of usable floor space for each child in classrooms/family child care programs. Outdoor space includes 100 square feet of usable space for each child.

The minimum room (permanent wall structure) and child/adult ratios are as follows:

Infants to 24 months:

3/1; with no more than six children in one room (preferred)

4/1; with no more than eight children in one room (acceptable)

24 months to 36 months:

4/1; with no more than eight children in one room (preferred)

6/1; with no more than 12 children in one room (acceptable)

Age 3 to kindergarten entry:

7/1; with no more than 21 children in one room (preferred)

10/1; with no more than 20 children in one room (acceptable)

Mixed age group (birth - kindergarten entry)

6/1; with no more than two under age two (preferred)

8/1; with no more than two under age two (acceptable)

Budget: Questions 5-8 relate to the project's budget. The questions are separated into facility costs, one-time or startup costs, and annual operating costs. Please make sure that your budget is separated and detailed for each of these sections. Do not list the same costs twice.

5. Facility Project Information:

- a. Provide a detailed description of the facility project that you are proposing.
- b. Do you have a Preliminary Design and Cost Estimate prepared by an architect or engineer (A/E)? (required; see sample content on page 10)
- c. Does the plan include building a new facility?
- d. Does the plan include providing an addition to an existing building?
- e. Does the plan include renovation and rehabilitation of an existing facility?
- f. What is the total square footage of the facility referred to in your response to b. c. or d. above?
- g. Describe how you arrived at the design and size of the building or the expansion.
- h. Describe how you arrived at the costs of rehabilitation or renovation.
- i. Is any demolition required?
- j. Is the abatement or remediation of any hazardous material required?
- k. Describe the ownership status of the property. If site acquisition is proposed as part of the project, no acquisition may commence until DED approval of application and completion of any programmatic environmental review requirements.
- l. Provide a proposed timeline for project start and completion.

6. Facility Cost Information

- a. What is the A/E total cost of the project?
- b. What is the total hard cost? Provide a breakdown of those hard cost categories. (Note: FFE, i.e. movable furniture, fixtures and equipment that have no permanent connection to the structure of the building are not costs included here.)
- c. What is the total soft cost? (Soft costs include, but are not limited to, professional fees, financing costs, project administrative costs) Provide a breakdown of those soft cost categories.
- d. What amount of funding are you requesting from the Start Smart program for these types of costs?
- e. What specifically, is the Start Smart funding proposed to pay for?
- f. What other funds are included in the project (source and amount)?
- g. Are all of the other funds proposed for the project committed?
- h. If not, what is the timeline for commitment of other funds?

7. One Time/Start up Information (**NAP applicants only**): One-time and start up costs are those costs necessary to create an early childhood facility but are not necessarily considered costs related to facility construction. FFE may be included here as well as playground equipment, etc.

- a. Provide a detailed description of the "one time" and start up items proposed for the facility.

8. One Time/Start up Cost Information:

- a. What is the total amount of one time and start up costs proposed for the project?
- b. Describe how those costs were computed.
- c. What amount of funding are you requesting from the Start Smart program for these types of costs?
- d. For what specifically is the Start Smart funding proposed to pay?

9. Annual Operating Budget:

- a. What is the total annual operating budget amount?
- b. What is the annual revenue projected in the first 5 years of operation?
- c. What are the annual expenditures estimated in the first 5 years of operation?
- d. Will the revenue projections meet or exceed the annual costs of operation?
- e. Does the operating budget include costs related to facility maintenance and upkeep?
- f. Does the operating budget include all necessary costs related to salaries, benefits, insurance, taxes, utilities, etc?
- g. Will there be any debt as a result of the project?
- h. Is the debt service incorporated into the annual operating budget?

10. Outcomes:

- a. Describe the measurable outcomes you propose to track for participants in terms of school readiness or other measure of educational attainment, to include:
 - i. Approaches to Learning
 - ii. Social and Emotional Development;
 - iii. Physical Development, Health and Safety
 - iv. Language and Literacy
 - v. Mathematics
 - vi. Science
 - vii. Understanding the World
 - viii. Expressive Arts

For information on these outcomes, please click on the following link:

<http://dese.mo.gov/eel/el/documents/eel-el-2013-MELGoals.pdf>

- b. Describe the length of time participants will be tracked.

11. Fundraising Plan (**NAP applicants only**):

- a. Detail the fundraising plan for this project, specific to utilization of NAP tax credits. Include all activities, events, and marketing that will be implemented to raise NAP donations.
- b. Identify the individual who will oversee fundraising and those who will be involved in various fundraising activities.
- c. To whom will your agency market the tax credits?
- d. Provide a timeline for fundraising activities and events and major fundraising milestones for the project?

Required Attachments to Supplement Narratives

1. Organizational Capacity of the Non-Profit Applicant:
 - A copy of the non-profit organization's most recent audited financial statements
 - A copy of the business registration with the Secretary of State indicating "good standing"
 - A copy of the organizational chart of the non-profit
 - A copy of the non-profit's articles of incorporation and bylaws
 - A list of all board members including contact information
2. Description of Need:
 - A map of the service area
 - A copy of the data source indicating the number of children of pre-school age in the service area
3. Low and Moderate Income Compliance:
 - For facilities proposed within a 51% low and moderate income service area, a copy of the supporting HUD data indicating such
4. Standards of Early Childhood Facility:
 - For facilities operated by a school, a copy of the existing or proposed organizational chart related to the pre-kindergarten programming
- 5/6. Facility Project Information/Facility Cost Information:
 - Copy of A/E preliminary design and cost estimate (see sample page)
 - Proof of ownership of property or copy of option
 - Facility Budget
 - Facility Sources and Uses document
- 7/8. One Time/Start up Information /One Time/Start up Cost Information (NAP applicants only):
 - One Time/Start up Budget
 - One Time Start up Sources and Uses document
9. Annual Operating Budget:
 - Annual Operating Budget
 - Project 5 Year Pro forma
10. Outcomes: (no required attachments)
11. Fundraising Plan (no required attachments)

NAP BUDGET PAGE

Budget Category (Refer to instructions. Provide breakdowns under each category.)	NAP Budget	Amount From Other Sources	Total Projected Cost*
<u>Salaries</u>			
<u>Contract</u>			
<u>Travel</u>			
<u>Equipment</u>			
<u>Supplies</u>			
<u>Building Space</u>			
<u>Construction</u>			
<u>Property Acquisition</u>			
<u>Other Costs</u>			
TOTAL (NAP BUDGET MAY NOT EXCEED \$500,000)			
CREDITS REQUESTED – equal to 50% of the requested NAP budget	Credits Requested	# of participants served during the project period	

*The Total Project Cost column should reflect all budget expenses necessary to implement the project, listing the total cost of each line item. For service delivery projects, the Department actively seeks to apply NAP funds to direct care and direct program expenses. NAP funding for administrative salaries and general overhead expenses should be limited.

LOCAL GOVERNMENT CERTIFICATION

By law, all projects require local government certification before NAP approval can be given. The Local Government Certification form included in your application packet must be used for this purpose.* **Applicants that do not submit a local government certification are ineligible.**

NAP applicants will obtain a Local Government Certification from the city in which the project will take place. If the proposed project involves the provision of services in more than one county or municipality, the endorsement shall come from the municipality where the primary service site is located. If the project does not take place in an incorporated area, the endorsement must be obtained from the presiding body of the county. Current contacts for some of the larger areas of the state are shown below:

Greene County

Robert Cirtin, Presiding Commissioner
933 N. Robberson
Springfield, MO 65802
(417) 868-4112

Columbia

Mike Matthes, City Manager
701 E. Broadway, Box 6015
Columbia, MO 65205
(573) 874-7214

Independence

Robert Pinch, City Manager
111 E. Maple
Independence, MO 64050
(816) 325-7019

St. Louis County

Jim Holtzman, Dept. of Planning
41 South Central, 5th Floor
Clayton, MO 63105
(314) 615-4414

St. Charles County

Jennifer George, Assistant Director Administration
100 North 3rd Street, Suite 318
St. Charles, MO 63301
(636) 949-7520

Cape Girardeau

Molly Hood, Deputy City Manager
401 Independence
Cape Girardeau, MO 63703
(573) 339-6320

Springfield

Mary Lilly Smith, Director, Planning & Dev.
840 Boonville Street, Box 8368
Springfield, MO 65802
(417) 864-1031

St. Joseph

Gerald McCush, Community Dev. Mgr.
1100 Frederick Avenue
St. Joseph, MO 64501
(816) 271-4646

St. Louis City

Don Roe, Director, Planning & Urban Design
1520 Market Street, Suite 2000
St. Louis, MO 63131
(314) 657-3700

Kansas City*

Coleman McClain, Neighborhood & Housing Services
City Hall
Kansas City, MO 64106
(816) 513-3008 (direct line)

***Attention Kansas City Applicants:** The city of Kansas City requires the submission of additional information with the required NAP form. For detailed information about the K.C. certification process and a list of supplemental questions, please contact Coleman McClain at the address and phone number listed above.



LOCAL GOVERNMENT CERTIFICATION

NAP ATTACHMENT C

Section I. Purpose and Use of this Form

Law (32.110 RSMo) requires a local government certification of all projects submitted to the Department of Economic Development, Neighborhood Assistance Program (NAP). All applicants as part of their proposal must submit this completed certification form.

APPLICATIONS WILL NOT BE ACCEPTED WITHOUT A SIGNED AND COMPLETED LOCAL GOVERNMENT CERTIFICATION.

Applicants are asked to complete Sections II., III., IV., and V. of this form before forwarding to the appropriate government authority (please see instructions in the Neighborhood Assistance Program Application, Attachment C.) Local governments must complete section VI, and may, at their discretion, require supporting documentation and/or a copy of the actual NAP proposal as a condition for certification. Such requests should be directed to the applicant, NOT the Department of Economic Development.

This form does not signify approval of a proposed NAP project by the local unit of government. This form serves only to certify that the proposed NAP project is not in conflict with the existing plans and ordinances approved, enacted, or enforced by the local unit of government.

Section II. Application Information

LEGAL NAME OF AGENCY SPONSORING PROPOSED NAP PROJECT

OFFICIAL AGENCY ADDRESS

NAP CONTACT PERSON/TITLE

DAYTIME TELEPHONE NUMBER

EVENING TELEPHONE NUMBER

Section III. Service Area and Populations Served

Briefly define and describe the geographic area of this project and the targeted populations the project will serve. Attach a map showing the boundaries of the service area and project location.

Section IV. Description of the Proposed Project

Briefly summarize the project you intend to submit for participation in the Neighborhood Assistance Program. Describe the performance targets and NAP program outcomes you plan to address as well as the function and operation of the project.

Section V. Statement of Intent & Notarization

STATEMENT OF INTENT TO SUBMIT APPLICATION TO THE DEPARTMENT OF ECONOMIC DEVELOPMENT, NAP: I have examined this request in its entirety and believe it to be an accurate description of the project to be submitted by this organization for the purpose of securing support through the Neighborhood Assistance Program administered by the Missouri Department of Economic Development. In the event that the proposed project is significantly altered and information contained herein is no longer accurate, I understand that a new local government certification will be required.

MUST BE SIGNED IN PRESENCE OF NOTARY Notary Public Embosser Seal or Black Ink Rubber Stamp Seal	Signature of Executive Director ➔		Date
	State of _____		County (or City of St. Louis)
	Subscribed and sworn before me, this Day of _____ Year _____		
	Notary Public Signature	My Commission Expires	Use Rubber Stamp Here
Notary Public Name (Typed or Printed)			

Section VI. Local Government Certification

On behalf of the following unit of government: _____,
(Community)

I, _____, have determined, based upon the information presented herein, that the project:
(Name)

does **does not** appear to conflict with the existing plans and ordinances approved, enacted or enforced by this body.

NAME	TITLE		
AGENCY		TELEPHONE	
SIGNATURE ➔		DATE	

SITE CONTROL

We understand that our organization must be able to demonstrate that we either presently have control, or will be able to secure control, of the site where our proposed capital campaign project will take place.

Documentation is attached for whichever item is checked below:

- 1. Evidence that the applicant owns the property (Original title not required).
 - Mortgage Insurance Statement
 - Title or Warranty Deed
- 2. A copy of an executed lease agreement (minimum six year agreement). The agreement must include the project period plus five years. A draft document will not satisfy this requirement.
- 3. Legal option to purchase or lease the property from the present owner if the project receives NAP credit approval. The language may stipulate various options depending on the approved tax credit amount. A draft document will not satisfy this requirement.
- 4. Contingency contract with the current owner stipulating that the property will either be contributed outright or sold to the organization at a discount if, and when, the project receives NAP approval. A draft document will not satisfy this requirement.*

In an effort to assist you, we have provided the following examples of contingency language:

- If the project is approved at the 50% level, the property owner may require a larger cash payment in addition to receiving credits for the discounted amount.*
- If the project is approved at the 70% credit level, the property owner may elect to receive a smaller cash payment, and discount the remainder of the property value in exchange for 70% credits.
- The property owner may choose to donate the property entirely or sell it at a discount without the benefit of the NAP tax credit, claiming only a federal charitable contribution deduction (if allowable).

* If credits are to be awarded on the amount of discount offered by the owner, the value of the property must be based on the lesser of the two qualified independent appraisals (i.e. conducted by state-certified or state-licensed appraisers.) Only one appraisal is required if it is either commercial property appraised at less than \$50,000, or residential property appraised at less than \$25,000. A Phase I Environmental Site Assessment is required on all non-residential real estate contributed for NAP credit or purchased using NAP contributions.

Building Usage

Using the space below, please identify any other occupants in the facility and indicate if they are involved in the administration of the project as outlined in the NAP application. If they are not involved in the proposed NAP project, indicate what percentage of the space will be utilized by non-project related activity. The nonprofit organization administering the NAP project must occupy at least 50% of the building space.

CERTIFICATION

I, the undersigned, acting on behalf of the Applicant named below, hereby certify and agree to the following:

1. The information submitted by the Applicant to DED in connection with the Project is true and correct and such information is consistent with documents provided to lenders, other government programs, or investors. The Applicant hereby authorizes DED to verify such information from any source;
2. Neither the Applicant, nor any person actively engaged in the management of the Applicant:
 - a) Has committed a felony, is currently under indictment for a felony, or is currently on parole or probation;
 - b) Is delinquent with respect to any non-protested federal, state or local taxes or fees;
 - c) Has filed (or is about to file) for bankruptcy, unless otherwise disclosed to DED; or
 - d) Has failed to fulfill any material obligation under any other state or federal program;
3. There are no pending or threatened liens, judgments, or material litigation against the Applicant or any person identified on the application which is likely to have a material impact on the Applicant's viability;
4. Neither the operations of the Project itself nor the receipt of incentives for the Project would violate any existing agreement;
5. The Applicant has obtained or is capable of obtaining all necessary federal, state and local permits and licenses for the Project;
6. I certify that the applicant does NOT knowingly employ any person who is an unauthorized alien and that the applicant has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that each individual is not an unauthorized alien;
7. I certify that the applicant is enrolled and will participate in a federal work authorization program as defined in Section 285.525(6), RSMo., with respect to employees working in connection with the activities that qualify applicant for this program. I certify that the applicant will maintain and, upon request, provide the Department of Economic Development documentation demonstrating applicant's participation in a federal work authorization program with respect to employees working in connection with the activities that qualify applicant for this program;
8. I certify that the Applicant shall include in any contract it enters with a subcontractor in connection with the activities that qualify applicant for this program, an affirmative statement from the subcontractor that such subcontractor is not knowingly in violation of Section 285.530.1, RSMo, and shall not be in violation during the length of the contract. In addition the Applicant will receive a sworn affidavit from the subcontractor under the penalty of perjury, attesting that the subcontractor's employees are lawfully present in the United States. I certify that the Applicant will maintain and provide the Department of Economic Development and Department of Revenue access to documentation demonstrating compliance with this requirement.
9. I understand that, pursuant to section 285.530.5, RSMo, a general contractor or subcontractor of any tier shall not be liable under section 285.525 to 285.550 when such general contractor or subcontractor contracts with its direct subcontractor who violates section 285.530.1, if the contract binding the contractor and subcontractor affirmatively states that the direct subcontractor is not knowingly in violation of section 285.530.1 and shall not henceforth be in such violation and the contractor or subcontractor receives a sworn affidavit under the penalty of perjury attesting to the fact that the direct subcontractor's employees are lawfully present in the United States;
10. I understand that if the applicant is found to have employed an unauthorized alien, applicant maybe subject to penalties pursuant to Sections 135.815, 285.025, and 285.535, RSMo;
11. I understand that if the applicant is found to have employed an unauthorized alien in Missouri and did not, for that employee, examine the document(s) required by federal law, the applicant shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding;
12. I attest that I have read and understand the Neighborhood Assistance Program guidelines;
13. I will inform DED if, at any time before project completion, there is any change to any of the certifications made herein;
14. I hereby agree to allow representatives of the Department of Economic Development (DED), Department of Revenue, or either of their designated representatives, access to the property and applicable records as may be necessary for the administration of this program; and,
15. I certify under penalties of perjury that the above statements and information contained in the application and attachments are complete, true, and correct to the best of my knowledge and belief.

I certify that I am a Corporate Office/Member of the Applicant and have the proper authority to execute this document on behalf of the Applicant. I am authorized to make the statement of affirmation contained herein. I also realize that failure to disclose material information regarding the Applicant, any owners or individuals engaged in the management of the Applicant, or other facts may result in criminal prosecution.

Applicant Signature	Print Name	Title	Date
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STATE OF _____)

COUNTY OF _____)

On this ___ day of _____ in the year 20__ before me, _____, a Notary Public in and for said state, personally appeared _____ [name of Corporate Officer/ Member], _____ [Official Title], _____ [Name of Corporation/ Agency], known to me to be the person who executed the within Agreement on behalf of said company and acknowledged to me that he or she executed the same for the purposes therein stated.

Notary Public

My commission expires _____

START SMART NAP APPLICATION CHECKLIST

Carefully review your application and this list to make sure you have not overlooked any required information or attachments. A complete proposal consists of **one** copy of each of the following:

Start Smart Application and Attachments

- Cover Pages
- Responses to Narrative Questions (questions begin on page 22)
- Start Smart Attachments** (see list on page 26)
- NAP Budget Page
- A complete copy of the Articles of Incorporation **and** 501(c)(3) tax exempt letter from the IRS

Attachment B: Letters of Support

- A copy of the form provided
- Two letters of support are required – State Senator and State Representative (See instructions)

Attachment C: Local Government Certification

- Copy of form provided (Must contain the executive director's original signature and notary)
- Map of geographical service area and project location

Attachment D: Site Control (Only required for property acquisition, construction or renovation)

- A copy of the form provided
- A copy of the required documentation
- Floor plans

Attachment E: Certification

- Copy of form attached (**Must** contain the executive director's original signature and notary)

Attachment F: E-Verify

- Copy of executed Memorandum of Understanding between the applicant organization and the United States Citizenship and Immigration Services (USCIS)

Faith Based Organizations

- Attach a description of religious activities/services offered, see page 20

Please Note:

- This application must be submitted by the agency's director as listed on the first page of this application.
- NAP retains the right to accept, reject, or negotiate, in whole or in part, any or all applications received.
- NAP reserves the right to vary the provisions, set forth herein, at any time prior to the execution of a contract where NAP deems such variance to be in the best interest of NAP.
- This application is designed to solicit potential projects that meet the targeted performance results of the NAP, to provide information to allow for a fair selection of projects, and to facilitate the monitoring and evaluation of and assistance to the projects which are selected.

*** KEEP A COPY OF THE ENTIRE COMPLETED APPLICATION FOR YOUR RECORDS**