

**NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY  
INCENTIVES PROJECT REPORTING**

**GENERAL GUIDELINES FOR JOBS AND COST CERTIFICATIONS AND iDMS ONLINE  
PORTAL SUBMISSION INSTRUCTIONS**

**Updated April 2017**



NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

**Purpose:**

This guide shall be used for the Commercial and Residential Urban Transit HUB Tax Credit Program (“HUB”), Commercial and Residential Economic Redevelopment and Growth Program (“ERG”), Legacy Grow New Jersey (“GROWNJ”) and Economic Opportunity Act Grow New Jersey (“EOA GROW”). Guidelines for Mixed-Use Parking Projects, Public Infrastructure Projects, as well as University Infrastructure Projects are not included, and have their own deadlines and reporting requirements which are listed in the approval letter.

Prior to uploading the cost and jobs certification documentation, the Recipient and all other interested parties should have a firm understanding of the applicable program statutes, regulations, agreements, and deadlines, as well as the reporting requirements defined in the Authority’s [Cost Certification and Jobs Certification Guidelines](#). A copy of the guidelines is provided within this document.

As some projects have capital investment and job creation benchmarks specific to that individual project, it is important to address any questions with your Incentives Officer prior to beginning the certification process. This guide will provide guidance to the reporting procedures, but is not all encompassing and additional reporting requirements to the Authority may be required at any time.

The cost and jobs certifications are to be submitted solely through the Authority’s online portal (“iDMS”) which is accessible at <https://idms.njeda.com>, and entered using the provided username and password. Please be aware that the Authority will not accept certifications outside of this portal. Companies must review the [Submission Procedures](#) prior to uploading a report to the online portal.

This submission process is a two-step process. The Incentives Officer will provide separate logins for the cost and jobs certification processes. Both submissions will provide separate notifications when that specific portion of the process is completed. When both the cost and jobs submissions are completed, a confirmation number will be provided, marking the date the cost and jobs certification has been submitted to the Authority. *For subsequent reporting years, the cost certification is not required.*

It is recommended to submit the cost certification documents immediately upon completion. It is not necessary to submit simultaneously with the jobs certification documents.

It is the responsibility of the Recipient to notify the Incentives Officer of who is to receive the login information for any given year. It is also up to the Recipient to determine if they would like to share login information with any other party to complete the reporting process on their behalf.

If you have any questions regarding this process, please contact your assigned Incentives Officer.

Thank you for your investment in New Jersey.

- **The NJEDA Post Closing Incentives Team**

**Cost Certification Guidelines and Jobs Certification Guidelines for Commercial and Residential Urban Transit HUB Tax Credit Program (“HUB”), Commercial and Residential Economic Redevelopment and Growth Program (“ERG”), Legacy Grow New Jersey (“GROWNJ”) and Economic Opportunity Act Grow New Jersey (“EOA GROW”)**

**General Information:**

Detailed program descriptions, green building guidelines, affirmative action/prevaling wage requirements, enabling legislation and rules for the New Jersey Economic Development Authority’s (“the Authority”) incentive programs can be found at [www.NJEDA.com](http://www.NJEDA.com). Recipients and CPA firms preparing cost and job certifications should familiarize themselves with the requirements of these programs.

Once Recipients are approved for an incentive by the Authority’s board, Recipients are provided an approval letter (HUB, GROWNJ, EOA GROW, and Residential ERG) or commitment letter (Commercial ERG) that details the specific terms and conditions of the project approval and timelines for submission of documents. Recipients are required to accept the terms of the letters and meet associated milestones to keep the approval valid. For Commercial ERG, GROWNJ, and EOA GROW, once milestones are met, the incentive terms are further documented in an agreement. Recipients and/or CPA firms preparing cost and job certifications should familiarize themselves with the requirements of these project specific documents.

Once a project is built or renovations are complete, a Recipient and its CPA firm, upon the issuance of a temporary certificate of occupancy (“TCO”) or permanent certificate of occupancy (“CO”), should advance to certifying costs (Commercial and Residential HUB, GROWNJ, EOA GROW, and Commercial and Residential ERG). Once the positions are filled, Recipient and/or their CPA firm should advance to certify jobs for the overall tax credit certificate (Commercial and Residential HUB, GROWNJ, EOA GROW, and Residential ERG).

For HUB, GROWNJ, EOA GROW, and Residential ERG, the vintage year is the base year the Recipient demonstrated to the Authority’s satisfaction that all the costs and jobs certification requirements to receive the overall issuance of the tax credit. This is the year the initial tax credit can be used or transferred. The Authority will determine the vintage year based on when the certification of costs and jobs and all required documents are approved by the Authority. Said approval must occur no later than the last day of the Recipient’s tax filing period. Please be advised the Authority requires 90 days to perform its review of the required costs and jobs certifications and documents.

For an Affiliate to be added to the agreement (GROWNJ and EOA GROW) and receive all, none, or a portion of the annual tax credit, said Affiliate must meet the definition set forth in the agreement, as certified by a CPA or Recipient’s Counsel, and must be contributing capital investment and/or jobs at the qualified business facility.

The Authority will separately engage independent CPA firms to randomly audit CPA cost certifications, and CPA or self-prepared CFO or comparable Officer of the Company (Vice President or higher if the CFO position does not exist within the Company) job certifications, and will require the Recipient to retain all work papers and ancillary documents for the term of the incentive (including commitment period, if any) and five (5) years thereafter. Please note that as part of the agreement, Recipient may have agreed to extent the statute of limitations for the collection and assessment by the Division of Taxation and, accordingly, may have additional retention requirements imposed by the Division of Taxation.

If a project is randomly selected for audit, the audit will include an in-depth review of the initial certification of cost report and initial and/or annual certification of jobs (as applicable), testing of supporting documentation and a site visit inspection to the Recipient’s facility. Upon completion, the

auditing CPA firm will issue its findings. If those findings find the reports submitted by the Recipient to be inconsistent, incorrect, or unsupported by underlying documentation, the Recipient may forfeit remaining tax credits. If findings are egregious or fraudulent, the Recipient may also be subject to recapture. In addition, the Division of Taxation may impose its own remedies based on its independent authority.

**The cost and jobs certifications are to be submitted solely through the Authority’s online portal (“iDMS”) which is accessible at <https://idms.njeda.com>. All required reporting templates and supplemental forms are accessible within the portal. Companies must review the [Submission Procedures](#) prior to uploading a report to the online portal.**

### **Cost Certification Reporting:**

The Authority’s incentive programs require Recipients to engage an independent CPA to prepare a certification of costs for the approved incentive project. Once a CPA firm is identified by the Recipient, the CPA and Recipient may agree to the terms of the agreed upon procedures (“AUP” or audit/examination (“audit”) through an engagement letter. The Authority does not participate in those negotiations and does not acknowledge or sign engagement letters.

Please keep in mind that each program has specific deadlines for the Authority to approve the overall certification of capital investment costs and the required documents:

- Residential HUB – April 26, 2019 (certification) and July 28, 2019 (other required documents).
- Commercial ERG – Three years from the execution of an agreement.
- GROWNJ – 6 months after the issuance of a TCO/CO; no later than July 28, 2018.
- Residential ERG – July 28, 2019.
- EOA GROW – 3 years from board approval; no later than 4 years from Board approval if the Authority has approved two 6-month extensions.

*To avoid adverse consequences, the Authority must receive satisfactory CPA certification of costs and required supplemental documents 90 days prior to the above stated deadline dates to approve the certification submission. The adverse consequence depends on the program, but may entail loss of one year or the entire incentive. Please contact the assigned Incentives Officer to obtain specific information of the adverse consequence for Recipient’s project.*

### **Basic Requirements:**

1. The Authority will accept cost certifications from an independent CPA using American Institute of Certified Public Accountant (“AICPA”) AUP or Audit procedures guidelines.
2. AUP certification submissions require testing of 100% (no sampling) of all eligible minimum capital investment expenditures made at the project site (HUB/ERG) or qualified business facility (“QBF”) (GROWNJ/EOA GROW).
3. Audit/examination certifications issued with a CPA opinion based on that review may use sampling as a method of testing capital investment.
4. The AUP or audit/examination report should list the procedures/testing methods used to certify the eligible minimum capital investment expenditures made at the project site or qualified business facility.

5. If the Recipient has been awarded a capital investment bonus (EOA GROW only), the amount of capital investment necessary to qualify the Recipient for the bonus or the amount approved by the Board, whichever is greater, must be tested using the AUP or audit/examination procedures identified in the overall report.
6. The amount of the overall tax credit shall not exceed the capital investment made or the capital investment represented by the business's leased area. For a tenant, the annual tax credit may not exceed the annual lease payments at the QBF (Commercial HUB and GROWNJ).
  - a. In addition to the CPA cost certification report, the Authority requires an Overall Issuance – Cost Certification Form to be filed at the Authority's web based secure portal (iDMS) by either the Recipient's CFO or the CPA firm for **EACH** entity and/or landlord contributing capital investment to the project.

Please note: a reduction in capital investment costs or square footage of the QBF/project site from original estimates may require additional review and/or an award modification. Should the Recipient expend additional capital investment costs, the award will not be increased.

### **Jobs Certification Reporting:**

For GROWNJ and EOA GROW, Recipients may engage an independent CPA or self-report (CFO or comparable Officer of the Company (Vice President or higher) if the CFO position does not exist within the Company) employment both at the time of initial certification and annually during the incentive term. *Commercial HUB Recipients are required to engage an independent CPA for employment certification reporting.*

Please keep in mind that each program has specific deadlines for the Authority to approve the overall certification of jobs and the subsequent documents:

- GROWNJ – no later than July 28, 2018.
- EOA GROW – 3 years from board approval; no later than 4 years from Board approval if the Authority has approved two 6-month extensions.
- Residential HUB – April 26, 2019 (certification) and July 28, 2019 (other required documents).

*To avoid adverse consequences, the Authority must receive satisfactory CFO/CPA certification of jobs and required supplemental documents 90 days prior to the above stated deadline dates to approve the certification submission. The adverse consequence depends on the program, but may entail loss of one year or the entire incentive. Please contact the assigned Incentives Officer to obtain specific information of the adverse consequence for Recipient's project.*

### **Basic Requirements:**

1. Jobs certification reporting is required for the following programs only: Commercial HUB, GROWNJ, and EOA GROW.
2. The initial jobs certification must provide the listing of eligible jobs created and/or retained, located at the QBF or project site.
3. If the Recipient fails to reach its projected employment levels (new, retained jobs, and statewide as applicable), depending on the terms of the agreement the Recipient may be subject to forfeiture or permanent reduction of the award. Recipients may elect to delay submitting the Job Certification and applicable supplemental reporting requirements until it can demonstrate it has

met its required job requirements, however, the Recipient must comply with all deadlines and must contact the assigned Incentives Officer as soon as possible if any extension is needed. Please note that program statutes and regulations may not allow certain extensions and the Authority reserves sole discretion to decide whether to grant all other extensions.

4. Except for EOA GROW projects approved under the Economic Opportunity Act of 2013 in a Garden State Growth Zone (GSGZ), Recipients may not increase job numbers and thus annual award, once they have submitted their initial job certification.

Jobs Certification Reports (initial and annual) must be submitted to the Authority through the iDMS web based portal form **[NO EXCEPTIONS]**, and will and require a handwritten or electronic signature of the CPA or CFO.

1. The jobs certification reports must contain a list of the following jobs:
  - a. New: Eligible jobs at the QBF/project site filled or transferred to New Jersey after the board approval date. Capped at the number in the agreement.
  - b. Retained: Eligible jobs QBF/project site filled prior to the board approval date. Capped at the number in the agreement.
  - c. Statewide: All full-time employees of the Recipient and all Affiliates contributing capital investment and/or jobs at the QBF/project site, excluding new eligible jobs at the QBF/project site unless the new eligible job is in addition to the number of full-time employees specified in the agreement and Recipient is not receiving an additional tax credit award for the new eligible position pursuant to the GSGZ provisions in EOA GROW.
  - d. Jobs will be calculated by summing the number of full time jobs and dividing that sum by the number of months from the date of the submission of the Jobs Certification through the end of the respective tax privilege period (year one) or by 12 months (year two and so forth). To be counted in a month, the full-time job must be maintained through the end of the month.
2. To the extent, a Recipient has received an award for both new and retained full-time jobs, the Recipient must meet the employment requirements related to the retained full-time jobs and statewide employment before receiving benefits for new full-time jobs. Please refer to N.J.A.C. 19:31-18.4(d) for more details and examples for this requirement.
3. To the extent that a Recipient was deemed to be in a Priority Area, the annual award must not be more than 90% of the withholdings at the QBF. The CFO/CPA must provide a separate template of all full-time employees at the QBF indicating the annual withholdings for each employee. The NJ-WR30 (for each quarter of the tax filing period) and NJ W-3 (Annual) is required to be submitted by the Recipient and all Affiliates contributing jobs.

*Please note: a reduction in jobs from the agreement may require additional review or an award modification. Please consult with the assigned Incentives Officer if a reduction in jobs is anticipated.*

## **Documents Required:**

### **A. Required at Initial Certification:**

#### Cost Certification Forms: (GROWNJ, EOA GROW, Residential and Commercial ERG, and Residential HUB)

1. Overall Issuance – Cost Certification Form
2. Overall Issuance – AUP or Audit/Examination Report

#### Job Certification Forms: (GROWNJ, EOA GROW)

1. Overall Issuance – Recipient Jobs Certification Form
2. Overall Issuance – Recipient Jobs Reporting Template

#### Supplemental Documents for All Programs:

1. Valid Tax Clearance (Not more than 180 days old) for each entity contributing jobs or capital investment at QBF/project site.
2. Temporary or Permanent Certificate of Occupancy.
3. Green Building Documentation:
  - a. Approval of the Pre-Construction Green Building Plan by the Authority's Real Estate Division.
  - b. Licensed engineer certification for green building requirements.
4. Affirmative action & prevailing wage approval from EDA's Affirmative Action Department.
5. Issuance fee as indicated in the approval or commitment letter.

#### Supplemental Documents for Residential ERG and Residential HUB

1. Certification of conforming residential use.
2. Deed restriction recorded against each residential component of the project.

#### Supplemental Documents for GROWNJ

1. Evidence that all bonus criteria has been met (if applicable).
2. CEO verification of environmental law requirements.
3. Certification of annual lease payments for the reported tax period (if applicable).

#### Supplemental Documents for Commercial ERG

1. Certification of non-default.

#### Supplemental Documents for EOA Grow:

1. Evidence that all bonus criteria has been met (if applicable).
2. CEO verification of environmental law requirements.
3. Certification of annual lease payments for the reported tax period (if applicable)

Annual Certification reports (CPA or CFO) are required annually within 120 days after the end of the Recipient's tax filing period to qualify the Recipient for the annual allocation of the tax credit. Failure to submit annual reports within 120 days, or, as applicable, a reduction in jobs (new and/or retained, or statewide) may result in forfeiture. The report relates to the prior tax filing period.

## **B. Required at Annual Certification:**

### Jobs Certification Forms: (GROWNJ, EOA GROW, COMMERCIAL HUB)

1. Annual – Recipient Jobs Certification Form
2. Annual – Recipient Jobs Reporting Template

### Supplemental Documents for All Programs:

1. Valid Tax Clearance (Not more than 180 days old) for each entity contributing jobs or capital investment at QBF/project site.
2. CFO certification indicating whether the business is aware of any condition, event, or act, which would cause the business not to be in compliance with the approval, the Act, the regulations, and the agreement.
3. Certification indicating any change in entities.
4. Annual review fee as indicated in the approval or commitment letter.

### Supplemental Documents for Commercial HUB.

1. NJ WR30 (for each quarter of the tax filing period)
2. NJ W-3 (annual)

### Supplemental Documents for Residential ERG and Residential HUB.

1. Evidence that the deed restriction required for overall issuance remains in place.
2. Evidence that the residential units of the project remain residential

### Supplemental Documents for GROWNJ

1. Evidence that all bonus criteria has been met (if applicable)
2. Certification of annual lease payments for the reported tax period (if applicable)
3. NJ WR30 (for each quarter of the tax filing period)
4. NJ W-3 (annual)

### Supplemental Documents for EOA Grow:

1. Evidence that all bonus criteria has been met (if applicable)
2. Withholdings Template (a listing of all full-time employees at the QBF for projects in a priority area subject to the 90% withholding limit)
3. Certification of Annual lease payments for the reported tax period (if applicable)
4. NJ WR30 (for each quarter of the tax filing period)
5. NJ W-3 (annual)

Please note: **Recipients are required to notify the Authority immediately of any changes to the corporate structure of the Recipient, including but not limited to name changes, the adding of Affiliates, real estate holding companies or the creation of special purpose entities, and any changes to the QBF/project site or scope of the project. The Authority, upon notification of these changes will advise Recipients if a modification to the Approval or Agreement is required.**



**Cost Certification and Jobs Certification Submission Procedures for Commercial and Residential Urban Transit HUB Tax Credit Program (“HUB”), Commercial and Residential Economic Redevelopment and Growth Program (“ERG”), Legacy Grow New Jersey (“GROWNJ”) and Economic Opportunity Act Grow New Jersey (“EOA GROW”)**

**I. Submission Procedures – Cost Certification:**

1. The steps below are provided to complete the submission of the Cost Certification documents. Please refer to the Authority’s [Cost Certification Guidelines](#) for specificity regarding the reporting requirements.
  - a. The user will enter their login information as provided by the Authority. The user will then enter the portal and select the appropriate project and term. Once in the portal, the user will complete the process by following the steps below.
    - i. The user will download the **Overall Issuance – Cost Certification Form**, complete it per the program guidelines, and upload the signed and completed report using the applicable buttons.
    - ii. Next, the user will upload **the Overall Issuance – AUP or Audit/Examination Report**, using the applicable buttons. The CPA shall prepare the AUP or Audit/Examination Report pursuant to the Authority’s [Cost Certification Guidelines](#).
2. Once all Cost Certification documents are submitted, the user will notify their assigned Incentives Officer by using the button provided. An email will then be sent to the user and the assigned officer, with a notification that the cost certification portion is complete.

**II. Submission Procedures – Jobs Certification:**

*ERG & Residential HUB Projects skip to section III\**

1. The steps below are provided to complete the submission of the Jobs Certification documents. Please refer to the Authority’s [Jobs Certification Guidelines](#) for specificity regarding the reporting requirements.
  - a. The user will enter their login information as provided by the Authority, enter the portal and select the appropriate project and term. The user will be prompted to enter the last day of the last month of the company’s fiscal year. Once in the portal, the user will complete the process by following the steps below.
    - i. The user will download the **Overall or Annual Issuance – Recipient Jobs Certification Form** as well as **the Overall Issuance or Annual – Recipient Jobs Reporting Template** (Instructions provided within the template), complete both files per the program guidelines, and upload the completed reports using the applicable buttons.
2. When the Overall Issuance or Annual – Recipient Jobs Reporting Template is uploaded, the user should note that our system will analyze the template and run a series of validations to ensure compliance with the program.
  - a. If errors or irregularities are found, the user will be required to select the Validations Report Summary button on the portal where a listing of all validation errors will be

provided. **It is important for the user to review all validation errors before providing answers as a new template may need to be uploaded in its entirety if the report includes an ER error.**

- i. Some ER errors include: Missing first or last name; missing salary, etc.
  - b. Upon clicking on the Validations Error Explanations button, the user will be required to enter an explanation for each EQ error.
    - i. Some EQ errors include: State other than NJ indicated on report – Please provide which state employee withholds taxes to; duplicate name – Please clarify if this is not an error, etc.
    - ii. The user must then provide an explanation in the given area on why the employee is eligible in the space provided and use the Send Officer Notification button once the explanations are entered. All explanations must be provided prior to submission.
3. At a future date, after the Incentives Officer reviews and accepts the error responses, an email will be sent to the user, with a notification that the responses have been accepted. If the explanations are deemed not sufficient, the user will be notified, and will be required to expand on any answers, repeating the process until all answers have been accepted.

### **III. Supplemental Document Submission:**

1. For a submission to be deemed fully complete and to receive a confirmation number, the user, through the Jobs login, and following the steps below, must submit the required supplemental documentation for the applicable program as defined in the Authority's Cost Certification and Jobs Certification Guidelines.
  - a. The user will enter their login information as provided by the Authority, enter the portal, and select the appropriate project and term. Once in the portal, the user will complete the process by following the steps below.
    - i. The user will upload all required supplemental documents using the upload supplemental documents box in the portal. The user must select the document type from the dropdown list after uploading each document.

### **IV. Obtaining a Confirmation Number:**

1. Upon submission of the Cost Certification, Jobs Certification, and supplemental documentation, the user will be able to select the Notify Officer of Completion button, generating a confirmation number.
2. If missing items or validations are identified, the user must resolve any issues prior to the issuance of a confirmation number. A list of all missing documentation will be provided to the user.

Upon receiving a confirmation number, the user will be contacted within 30 days by their assigned Incentives Officer.