Virginia Enterprise Zone

Job Creation Grant

Instruction Manual

Grant Year 2019

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ABOUT THIS MANUAL

This manual provides instructions for qualifying for the Enterprise Zone (EZ) Job Creation Grant (JCG). It has been compiled for the applicant (the business firm) and addresses the applicant's responsibilities in completing the application materials.

Specific icons have been used throughout the manual to provide user-friendly instructions.

- Frequently asked questions have been included within each grant section and are denoted by a question mark symbol ❓ within a text box.
- Important definitions, guidelines, and reminders are emphasized in highlighted text boxes.
- Snapshots of the actual application forms are included within the manual to provide step-by-step instructions for each component of the application.
- Details pertaining to required application materials (including the JCG Worksheet in Excel) have been indicated by, while
- Details relating to online sbmittals & electronic worksheets have been indicated by .
- Details pertaining to the timeline for submission are indicated by .
- Lastly, for your convenience, the definitions of key terms are included in the glossary on Pages 24-26. These terms are defined by statute and program regulation and must be followed.

A qualified representative of the business firm is expected to complete all of the required application components. An independent Certified Public Accountant (CPA), licensed in Virginia, must attest to the application materials. For specific information on CPA eligibility, see the text box on Page 21.

The Job Creation Grant instruction manual is organized as follows:

- An overview of the grant amount and eligibility criteria;
- General limitations;
- Preliminary information for applicants to gather;
- Step-by-step instructions for completing the required application and supplemental materials.

ENTERPRISE ZONE GRANT QUALIFICATION PROCESS

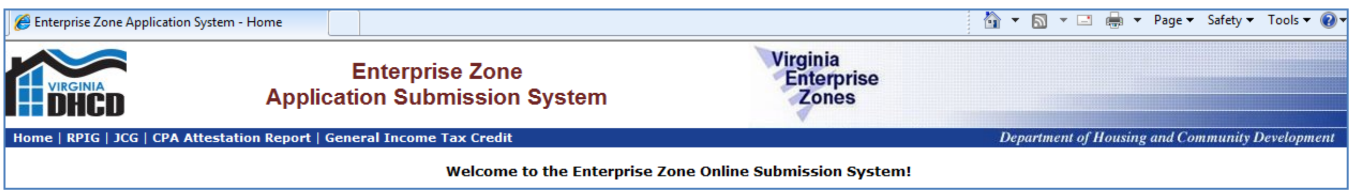
Enterprise Zone grants are subject to an annual appropriation by the General Assembly. By statute, the Job Creation Grant is required to receive funding priority. After fully funding the JCGs, remaining funds will be allocated to the Real Property Investment Grants (RPIG). The amount paid to each RPIG applicant will be prorated proportionally should grant requests exceed the remaining funds. Job Creation Grants are not subject to proration.

Grant Year 2019 Timeline

TRIGGER	QUALIFICATION DETERMINATION	APPLICATIONS DUE to DHCD	DHCD REVIEW	FUNDING RELEASED
Calendar Year 2019 Net New Employment over Base Year and Eligiblity Threshold	**January - March 2020** JCG Worksheet CPA Attestion	**April 1, 2020** Electronic Submittal Hard Copy Submittal	**April - June 2020**	**June 2020** Funds Disbursed

Accessing the Application and Additional Information

The Qualified Zone Investor is expected to complete and submit all required application components. The application form, supplemental materials, and all supporting information are available on the EZ Application Submission System site under the *Job Creation Grant (JCG)* header.



As part of the application process, an independent Certified Public Accountant (CPA), licensed in Virginia, must attest to these application materials. The ***CPA Attestation Report*** is required and must be submitted with most JCG grant applications, unless otherwise noted in this manual. The ***Agreed upon Procedures for CPA Attestations*** and ***Attestation Report Templates*** are available on the EZ Application Submission System.

SUBMITTAL REQUIREMENTS

The application process for the JCG involves two components: the electronic submittal and the submittal of a signed hard copy of **Form EZ-JCG or EZ-JCG-HUA**, as well as the required attachments including the JCG Worksheet and the CPA Attestation Report.

The application form(s), final CPA Attestation Report form, and all required documentation are due by April 1st of the calendar year subsequent to the grant year (Form EZ-JCGG Part II, Box 1).

Any application submitted without the required CPA Attestation Report or submitted after the deadline will be considered **late**. Such applications are held until DHCD determines that funds remain after fully funding on-time applications. At such time, DHCD will review and process late applications on a first-come, first served basis. **Please keep in mind that DHCD is unable to pre-qualify any applicants.**

Online Submittal

All applicants are required to submit electronically via the EZ Application Submission System. Online applications offer an auto-calculation feature and enable a more efficient processing. Online applications must be submitted through the system by no later than **11:59 PM, April 1, 2020 (EDT)**. Applicants will be prompted to save and print the completed application as part of the online submittal process.

Once the "Submit" button is clicked, applicants will be automatically prompted to print a PDF of the completed application. This is the copy to be signed by the Local Zone Administrator and mailed in with the required supplemental materials.

Paper Submittal

The signed hard copy of **Form EZ-JCG or EZ-JCG-HUA** and all other supplemental materials must also be submitted by the April 1st deadline (or next business day if weekend or holiday). The signed application materials should be mailed via United States Postal Service certified mail, return receipt requested and postmarked no later than April 1st; or shipped via UPS, Fed Ex or another service where shipping can be tracked with a shipped date no later than April 1st. The hand delivery of application is discouraged.

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Submittal of Multiple Applications

If submitting more than one application, each grant application and associated **materials should be sent separately** via certified mail, return receipt requested. Due to the high volume of applications received, DHCD cannot guarantee proof of the receipt of each application when multiple applications are submitted together.

Application Confirmations

Email confirmations will be sent throughout the submittal process to keep the applicant informed of the status of the application and to bring any submittal issues to the applicant's attention prior to certain deadlines. Applicants will receive confirmation emails in the following order:

1. Successful submission of the online application

This email will indicate the date and time of the submittal and will also include a reminder to print the application and send in the signed hard copy and all other required materials (including the CPA Attestation Report and supplemental forms) by the April 1st deadline (or next business day if weekend or holiday). DHCD recommends applicants retain confirmation emails with their grant records.

2. Receipt of hard copy application and required materials

Once the hard copy of the application is received, an email will be sent to the applicant stating the date of receipt. If this email is not received within 10 business days of delivery, please contact DHCD. DHCD recommends applicants print and keep a copy of this email with their grant records. DHCD strongly recommends that applications are mailed with delivery confirmation, as DHCD is not responsible for items lost in the mail.

3. Notification of Deficiencies

DHCD will notify applicants by May 15th in cases where any additional information is required due to application deficiencies.

4. Notification of Resolution of Deficiencies

Applicants must resolve any identified deficiencies by June 1st. Once the applicant provides the requested information, a final email will be sent to the applicant confirming DHCD's receipt of the requested material.

JOB CREATION GRANT QUALIFICATION

Job Creation Grants are based on net new permanent full-time job creation exceeding a four-job threshold. Positions over the four-job threshold must meet wage and health benefits requirements to be eligible.	

Eligibility Requirements	• The business must be located within the boundaries of an Enterprise Zone.
	• The business must create at least **four net new permanent full-time positions** over the base calendar year.
	    ◦ Base Year employment can be either of the two calendar years immediately preceding the first grant year. Base Year employment is established in the first grant application and remains static for the full five-year period.
	• These positions must meet wage and health benefit **requirements**.
	    ◦ Positions must earn at least 175% of the Federal Minimum Wage[1], 150% in High Unemployment Areas.
	    ◦ Firm must offer to cover at least 50% of employee's health insurance premium.

Ineligible Applicants	• The following entities are prohibited from applying for the JCG:
	    ◦ Units of local, state, or federal government
	    ◦ Non-profit, other than those classified as NAICS 813910 and 813920.
	• The following entities and positions are prohibited from applying for the JCG:
	    ◦ Personal service, food and beverage, and retail positions

Grant Term	• Five-year periods beginning with the first grant year in which a JCG was awarded. ◦ To be eligible for the JCG in years two through five, the firm must maintain or increase the number of eligible permanent full-time positions (above the four-job threshold) over base year employment. • Firms may apply for a subsequent five-year period given they meet the grant eligibility requirements. See Appendix A for more information on subsequent five-year periods.

Grant Calculations	• Job Creation Grant awards are determined by the **wages** paid and the number of months positions were filled during the Grant Year.
	• Grants are available in amounts of:
	    ◦ Up to \$500 per grant eligible position filled by an employee earning at least 175% (150% in HUAs) of the FMW who was offered health benefits.
	    ◦ Up to \$800 per grant eligible position filled by an employee earning 200% of the FMW who was offered health benefits.
	• Firms can receive grants for **up to 350 positions** per year.

[1] The Federal Minimum Wage (FMW) is currently \$7.25 per hour. In order to be eligible for the Job Creation Grant, net new positions must be paid at least \$12.69/hour (\$10.88 in HUAs) to be eligible for the \$500 grant and at least \$14.50/hour to be eligible for the \$800 grant.

General Limitations

- A firm can receive Job Creation Grants for a maximum of **350** grant eligible positions **per year**. Firms with multiple locations in Enterprise Zones can receive Job Creation Grants for a maximum of 350 positions total. For example, if a firm has a location in the Martinsville EZ and the Petersburg EZ, they can only qualify 350 total positions for the two locations.

- Although businesses may qualify for both the Enterprise Zone Job Creation Grant and the **Major Business Facility Job Tax Credit**, firms may not qualify the same positions for both incentive programs.

EMPLOYMENT REQUIREMENTS

Job Creation Grants are awarded for the creation of net new permanent full-time positions meeting certain wage and health benefits requirements. Given the normal turnover of employees, it is possible that several employees will fill one permanent full-time position in any one calendar year. This is acceptable as long as it is not “job sharing” where two employees, each working part-time, fill one position.

Eligible Employees (Included on JCG Worksheet)

A person employed by a business firm, located within an Enterprise Zone, who is **normally scheduled** to work **full-time**, based on the following criteria:

- Minimum of 35 hours per week for the entire normal year of the business firm’s operations, which a normal year must consist of at least 48 weeks;
- Minimum of 35 hours per week for a portion of the taxable year in which the employee was initially hired for or transferred to the business firm; or
- Minimum of 1,680 hours per year if the standard fringe benefits are paid by the business firm for the employee.

Grant awards will be prorated based on the number of **full months** of the grant year in which the employee met the wage and health benefits requirements. The following situations would trigger the proration of the $500 and $800 grant per position:

- An employee was employed less than 12 months during the grant year.
- An employee only met the wage and health benefits requirements for a portion of the grant year.
- The employee’s wages changed or the Federal Minimum Wage changed during the qualification year.

Ineligible Employees (Included on JCG Worksheet)

- Positions paid **less than 175%** of the Federal Minimum Wage ($12.69/hour) or 150% of FMW ($10.88/hour) in HUAs.

- Positions that were **not offered health insurance coverage** equal to at least 50% of health insurance premium based on the health benefits agreement.

- **Employees not meeting wage or health insurance thresholds should be included on the worksheet, but will be automatically filtered out of the grant calculations on the JCG Worksheet in Excel.**

Ineligible Employees (Excluded from JCG Worksheet)

- Positions not meeting the statutory definition of 'Full-Time', as defined in the Glossary at the end of this document.

- Positions in retail, personal service, or food and beverage services.

- Positions that are seasonal, temporary, leased, or contracted.

- Positions that previously existed elsewhere in the Commonwealth, including any positions that were transferred from outside a zone location to a zone location.

- Positions created by a business that is simultaneously closing or downsizing other facilities in the Commonwealth.

- A person that was previously employed in the same job function in Virginia by a related party, or a trade or business under common control. This includes positions filled by a business that was then purchased by another taxpayer who continued its operation (not net new to Virginia).

- A person that previously qualified for a JCG in connection with a different Enterprise Zone location on behalf of the applicant taxpayer, a related job, or a trade or business under common control (cannot claim the same job twice).

- A person whose position previously qualified a firm for the Major Business Facility Tax Credit.

?

My business is not a retail business, but I have retail positions. Is my firm eligible for JCG?
If your business firm is not a retail business, you can only include those positions that are not retail, food/beverage, or personal service positions for the purposes of qualifying for the Job Creation Grant. For example: A hotel is a qualified business for JCG purposes. However, positions in a hotel restaurant or gift shop should be excluded.

HIGH UNEMPLOYMENT AREAS

Any business applying as an HUA applicant must use **Form EZ-JCG-HUA** and fill out the **JCG-HUA Worksheet.** These documents are specifically tailored to accommodate the reduced wage rate threshold.

2019 High Unemployment Areas (HUA)			
Dickenson County (Clintwood & Haysi)	49	Northampton County	26*
City of Covington	53*	City of Petersburg	10
City of Danville	1, 57*	Tazewell County	44
City of Hopewell	9	Wise County	52
City of Martinsville	36, 54*		

* The following communities in joint zones are NOT HUAs: Alleghany County, Town of Clifton Forge, Henry County, Accomack County, and Pittsylvania County. Businesses in these communities are not eligible for the reduced wage threshold.

Source: DHCD based on the LAUS Unit and Bureau of Labor Statistics 2018 Annual Virginia Unemployment Report.

The City of Covington and Northampton County are now considered High Unemployment Area (HUA) zones. Businesses in this zone are eligible to apply for the $500/PFTE Job Creation Grant at the reduced wage rate threshold of 150% of the Federal Minimum Wage (FMW) or $10.88 per hour.

The following localities are no longer considered HUA zones: City of Emporia, City of Portsmouth, and Brunswick County. Businesses in these zones that have previously applied for the JCG as HUA applicants may continue to qualify for the $500 grant at the reduced wage threshold of $10.88/hour for the remainder of their 5-year grant period. However, **any new business applying for the JCG in these zones must pay a wage rate threshold of at least 175% of the FMW ($12.69/hour) to be eligible for the grant.**

REQUIRED APPLICATION MATERIALS

Form EZ-JCG or EZ-JCG-HUA must be submitted online by **11:59 PM on April 1, 2020 (EST)**. After submitting the online form, applicants should print the completed EZ-RPIG application from the EZ Online Submission System site, then mail the signed hard copy in addition to the materials listed in the table below.

Job Creation Grant Submission Materials	
Materials	**Submission Deadline**
• Form EZ-JCG or EZ-JCG-HUA • [Commonwealth of Virginia W-9] • JCG Worksheet Sheets * • CPA Attestation Report ***In Year 1, all firms are required to submit Sheets 1 & 2 from the JCG Worksheet. In Years 2-5, only firms that are exempt from the attestation are required to submit the JCG Worksheet Sheets 1 & 2.**	**All application materials are due to DHCD on** **April 1, 2020*** Applicants must submit their application electronically and then send original application materials using one of the following mechanisms: 1) United States Postal Service certified mail, return receipt requested and postmarked no later than April 1st; 2) UPS, Fed Ex or another services where shipping can be tracked with a shipped date no later than April 1st. Hand delivery is accepted but not preferred and must be received by DHCD by the close of business on April 1st.

Details and instructions regarding each of the listed application materials are included in the following sections. Form EZ-RPIG and all supplemental forms are available on the EZ Online Submission System site: https://dmz1.dhcd.virginia.gov/EZonePortal/.

JCG/JCG-HUA WORKSHEET: STEP-BY-STEP INSTRUCTIONS

The JCG/JCG-HUA Worksheet must be used to complete the application. Business firms applying as HUA applicants must use the JCG-HUA Worksheet. All other business firms should use the standard JCG Worksheet.

To determine eligibility, the business firm will then need to utilize I-9 or comparable employment documentation to verify the start date of permanent full-time employment for all permanent full-time positions in the base year and grant year and identify which permanent full-time positions are net new after the base year. If the company has created at least 4 new permanent full-time positions, **the firm must complete the JCG/JCG-HUA Worksheet to calculate eligible employment in the base and grant years.**

The JCG/JCG-HUA Worksheet is an **Excel spreadsheet** that tabulates information on all employees filling permanent full-time positions and the hourly wage rates of the employees hired in the grant year. Based on the work dates and applicable wage rates entered for the net new positions, the remainder of the qualification information is automatically calculated within the Worksheet. The grant award for each position is determined based on the wages entered for each grant-eligible position, and the full months they were employed in the grant year. The JCG/JCG-HUA Worksheets are available at https://dmz1.dhcd.virginia.gov/EZonePortal/.

JCG WORKSHEET: Sheet 1

1. **The business firm representative must provide his/her signature verifying the following:**
   - No retail, food or beverage, or personal service positions are listed on the worksheet.
   - All employees listed are permanent full-time positions and have not been churned from another location within the Commonwealth of Virginia.
   - All employees listed on the worksheet (Grant & Base Year) meet the report to work requirement.

2. **Determine the Grant Year.**
   - The calendar year for which the firm is requesting the Job Creation Grant must be **2019**.

3. **Determine the Base Year.**
   - The base year is either of the two calendar years immediately preceding a business firm's first year of grant eligibility.
     - For Grant Year 2019, Year 1 applicants may choose from calendar year 2018 or 2017 as the base year.
   - **Base Year Employment is a static number, and should remain the same for each year in the firm's five-year grant period.** Therefore, firms applying in Years 2-5 should report the same base year employees on the JCG Worksheet and Form EZ-JCG or EZ-JCG-HUA, Part II, Box 4A as was reported on their Year 1 application and Worksheet.

WARNING:

The columns on the Job Creation Grant Worksheet must be filled out from LEFT TO RIGHT. Filling out the columns out-of-order can result in calculation errors, as it may allow wages to be entered for ineligible employees.

Please note the following settings in the Worksheet:

- The cells and formulas within the Worksheet are **locked**. The applicant can only enter in information where requested; no formulas can be overridden.
- Some columns are **hidden** (in order for the auto-calculations to function) and are therefore not visible to the user.
- The Worksheet will also highlight cells in red when duplicate names and/or SSNs have been entered.
- All **shaded** columns in the Worksheet automatically populate; the applicant only has to enter in values in the **non-shaded** columns and the yellow wage rate column.

Columns A-D: Employees Filling Permanent Full-Time Positions

1. Column C: "Employee Name" *List all employees filling permanent full-time positions (**EF-PFTPs**) in the base year in **alphabetical order**. Due to locks on the spreadsheet, applicants will not be able to use the "sort" function in Excel to alphabetize the employees' names.*

- Include **every employee that worked in the base year** in a permanent full-time capacity regardless of how many months he or she was employed. This could be one day, one week, one month, or the full year. All EF-PFTPs that worked during the base year must be included on the list with the exception of unqualified positions described on Page 8.
- The Worksheet has a function that highlights cells in red when duplicate names and/or SSNs have been entered. If an employee has been intentionally entered twice due to the reasons described in the text box below, ignore the red cells.
- **BASE YEAR EMPLOYEES SHOULD ONLY BE LISTED ONCE, unless there was a gap in employment (ex. an employee that left for 2 months and was rehired). Base Year employees should NOT be listed more than once to reflect changes in wages.**

2. Column D: "Last 4 Digits of SSN" *Enter in the last 4 digits of each employee's social security number.*

3. Column B: "Included in CPA Sample Y/N" *CPA must indicate which employees have been selected to be sampled through preparation of the CPA Attestation Report.* **This is the final step of the Worksheet.**

4. Repeat steps 1-3, listing all EF-PFTPs in the grant year. *Include every employee that worked in the grant year in a permanent full-time capacity regardless of how many months he or she was employed. The result should be 2 alphabetical lists of employees, with the base year employees listed first, and the grant year employees listed second.* **See Page 14 of this manual for directions on reflecting Grant Year employees with wage fluctuations.**

Employees Filling Permanent Full-Time Positions

Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN
1	Y	John Doe	2222
2	Y	Kyle Smiley	2222
3	Y	Rebecca Donaldson	3333
4	Y	Jeff Shelton	4444
5	Y	Bill Hickock	5555
6	Y	Joy Ellis	6666
7	Y	Andrea Weaver	7777
8	Y	Ben Franklin	8888
9	Y	Alexander Graham	9999
10	Y	Alexander Graham	9999
11	Y	Andrew Jackson	1212
12	Y	Thomas Jefferson	1313
13	Y	Isaac Newton	1414
14	Y	Isaac Newton	1414
15	Y	Tom Edison	1515
16	Y	George Washington	1616
17	Y	Douglas Evans	1717
18			
19			

Employees should only be listed on the JCG worksheet once UNLESS:

- An employee was employed during two or more **separate periods** in the base or grant year.
- A grant-year employee's **wages fluctuated during the grant year**. This does NOT apply to base year employees.

In the template to the left, Alexander Graham is listed twice due to a wage fluctuation and Isaac Newton is also listed twice because he was employed during two separate time periods within the grant year.

The SSN cells for John Doe and Kyle Smiley are also highlighted because the same value has been entered twice. This could be a coincidence or it could be an error. The red is a warning to double check.

See screenshot on Page 14 for more details.

Columns E-M: Base and Grant Year Employment

To complete this portion of the JCG Worksheet, firm management must utilize the employees' payroll record documentation and I-9 Form.

5. **Column E: "First work date in base year"** *Enter first work date of EF-PFTP in base year*.
   - All dates entered in Columns E & F must fall within the base calendar year.
   - For employees who were only employed during the grant year, Columns E and F should be left blank.

6. **Column F: "Last work date in base year"** *Enter last work date of EF-PFTP in base year.*
   - The months worked in the base year (Column I) for each employee filling a permanent full-time position will be automatically calculated.
     - Column I will highlight red if the total months worked is greater than 12. This indicates an error in dates entered, and Steps 5-6 should be corrected.
   - *Example:* Andrew Jackson (Line 11) was hired in 2019. For this reason, Columns E and F are left blank for the row pertaining to his base year work dates.

7. **Column J: "First work date in grant year 2019"** *Enter the first work date of EF-PFTP in the grant year.*
   - All dates entered in Columns J & K must fall within the grant calendar year (2019).
   - Columns J and K should be left blank for employees who worked in the base year but not grant year.
   - *Example:* John Doe (Line 1) was only employed in the base year 2016. For this reason, Columns J and K are left blank for the row pertaining to his employment.

8. **Column K: "Last work date in grant year 2019"** *Enter in the last work date of EF-PFTP.*
   - The months worked in the grant year (Column M) for each employee filling a permanent full-time position will be automatically calculated.
     - Column M will highlight red if the total months worked is greater than 12. This indicates an error in dates entered, and Steps 7-8 should be corrected.

*Please fill out the worksheet from left to right. Skipping columns may lead to incorrect calucations.

A	B	C	D	E	F	I	J	K	M
Employees Filling Permanent Full-Time Positions				Base Year			Current Grant Year (G\		
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2019	Last work date in grant year 2019	Months the EF PFTP worked in Grant Year 2019
1	Y	John Doe	2222	01/01/17	03/13/17	2.37			0.00
2	Y	Kyle Smiley	2222	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00
3	Y	Rebecca Donaldson	3333	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00
4	Y	Jeff Shelton	4444	06/13/17	12/31/17	6.64	01/01/19	12/31/19	12.00
5	Y	Bill Hickock	5555	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00
6	Y	Joy Ellis	6666	09/14/17	12/31/17	3.58	01/01/19	12/31/19	12.00
7	Y	Andrea Weaver	7777	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00
8	Y	Ben Franklin	8888			0.00	01/01/19	12/31/19	12.00
9	Y	Alexander Graham	9999			0.00	**01/10/19**	**03/10/19**	1.97
10	Y	Alexander Graham	9999			0.00	**03/11/19**	**12/31/19**	9.73
11	Y	Andrew Jackson	1212			0.00	02/01/19	12/31/19	10.98
12	Y	Thomas Jefferson	1313			0.00	01/01/19	12/31/19	12.00
13	Y	Isaac Newton	1414			0.00	**01/01/19**	**03/01/19**	1.97
14	Y	Isaac Newton	1414			0.00	**05/01/19**	**12/31/19**	8.05
15	Y	Tom Edison	1515			0.00	02/01/19	12/31/19	10.98
16	Y	George Washington	1616			0.00	02/01/19	12/31/19	10.98
17	Y	Douglas Evans	1717			0.00	02/01/19	12/31/19	10.98
18						0.00			0.00
19						0.00			0.00
20						0.00			0.00

Columns N-O: Health Benefits and Hourly Wages for Grant Year Employees

To complete this portion of the JCG Worksheet, firm management must utilize the employees' payroll record documentation, I-9 Form, and Health Benefits records.

9. Column N: "Offered Health Benefits Y/N" F*or the employees listed only in the grant year, indicate their health benefits status.*

- "Y" indicates that the employee received or was offered health benefits; "N" indicates the employee did not receive or was not offered health benefits.
- Column N may be left blank for any employees that worked in the base year.
- The hourly wage column (Column O) is programmed to shade black for any grant year employees that were not offered health benefits, as indicated by an "N"**.**
  - **DO NOT enter the wage rate for employees not offered health benefits. If this column does not shade black, the excel sheet has not been completed correctly. Employees not offered health benefits are NOT eligible.**
- *Example:* Andrew Jackson (Line11) was not offered health insurance. The "N" in Column N automatically triggered Column O to shade in black.

*Please fill out the worksheet from left to right. Skipping columns may lead to incorrect calucations.

A	B	C	D	E	F	I	J	K	M	N	O
Employees Filling Permanent Full-Time Positions				**Base Year**			**Current Grant Year (GY): 2019**				
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2019	Last work date in grant year 2019	Months the EF PFTP worked in Grant Year 2019	Offered Health Benefits **Y / N**	Hourly wage Rate for Employees listed **in ONLY Grant Year**
1	Y	John Doe	2222	01/01/17	03/13/17	2.37			0.00	Y	
2	Y	Kyle Smiley	2222	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00	Y	
3	Y	Rebecca Donaldson	3333	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00	Y	
4	Y	Jeff Shelton	4444	06/13/17	12/31/17	6.64	01/01/19	12/31/19	12.00	Y	
5	Y	Bill Hickock	5555	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00	Y	
6	Y	Joy Ellis	6666	09/14/17	12/31/17	3.58	01/01/19	12/31/19	12.00	Y	
7	Y	Andrea Weaver	7777	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00	Y	
8	Y	Ben Franklin	8888			0.00	01/01/19	12/31/19	12.00	Y	15.00
9	Y	Alexander Graham	9999			0.00	**01/10/19**	**03/10/19**	1.97	Y	13.00
10	Y	Alexander Graham	9999			0.00	**03/11/19**	**12/31/19**	9.73	Y	15.00
11	Y	Andrew Jackson	1212			0.00	02/01/19	12/31/19	10.98	**N**	
12	Y	Thomas Jefferson	1313			0.00	01/01/19	12/31/19	12.00	Y	15.00
13	Y	Isaac Newton	1414			0.00	**01/01/19**	**03/01/19**	1.97	Y	15.00
14	Y	Isaac Newton	1414			0.00	**05/01/19**	**12/31/19**	8.05	Y	15.00
15	Y	Tom Edison	1515			0.00	02/01/19	12/31/19	10.98	Y	15.00
16	Y	George Washington	1616			0.00	02/01/19	12/31/19	10.98	Y	**9.00**
17	Y	Douglas Evans	1717			0.00	02/01/19	12/31/19	10.98	Y	15.00
18						0.00			0.00		XX.XX
19						0.00			0.00		XX.XX
20						0.00			0.00		XX.XX

10. Column O: "Hourly wage rate for Employees listed ONLY in Grant Year" *Enter hourly wage rates for grant year employees who received or were offered* health benefits.

- Employees with wage fluctuations will be entered on multiple lines, reflecting the grant year dates worked at each wage. Wage fluctuations should not be reflected for base year employees.
- **Wages should never be entered for employees that worked in the base year.** The worksheet is programmed to shade the applicable wage cell in black since these are not new positions.
- **Wages should never be entered for employees not offered health benefits.**
- **Starting, Ending, or Average Wages should NOT be used to reflect an annual hourly wage.**
- *Example:* Alexander Graham (Lines 9-10) received a wage raise, effective March 11th as reflected in Columns J-K and Column O.

Columns P-R: Full Months For Grant Year Employees

Based on the wages entered for the grant year employees filling permanent full-time positions, all the Columns P, Q, & R auto-populate such that the applicant does not have to manually distribute the total number of months each employee met the 175% (or 150% in HUAs) or 200% of the Federal Minimum Wage grant eligibility requirement.

*Please fill out the worksheet from left to right. Skipping columns may lead to incorrect calucations.

A	B	C	D	E	F	I	J	K	M	N	O	P	Q	R
Employees Filling Permanent Full-Time Positions				Base Year			Current Grant Year (GY): 2019					Wage Classification for Net New Positions		
Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN	First work date in base year	Last work date in base year	Months the EF-PFTP worked in Base Year	First work date in grant year 2019	Last work date in grant year 2019	Months the EF PFTP worked in Grant Year 2019	Offered Health Benefits Y / N	Hourly wage Rate for Employees listed **in ONLY Grant Year**	PFTP in GY **not grant eligible** (not new in grant year or not meeting wage & health benefit requirement)	New EF PFTP in GY earning at least $12.69/hr but less than $14.50/hr	New EF PFTP in GY earning at least $14.50/hr
1	Y	John Doe	2222	01/01/17	03/13/17	2.37			0.00	Y		**0.00**	0.00	0.00
2	Y	Kyle Smiley	2222	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00	Y		**12.00**	0.00	0.00
3	Y	Rebecca Donaldson	3333	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00	Y		**12.00**	0.00	0.00
4	Y	Jeff Shelton	4444	06/13/17	12/31/17	6.64	01/01/19	12/31/19	12.00	Y		**12.00**	0.00	0.00
5	Y	Bill Hickock	5555	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00	Y		**12.00**	0.00	0.00
6	Y	Joy Ellis	6666	09/14/17	12/31/17	3.58	01/01/19	12/31/19	12.00	Y		**12.00**	0.00	0.00
7	Y	Andrea Weaver	7777	01/01/17	12/31/17	12.00	01/01/19	12/31/19	12.00	Y		**12.00**	0.00	0.00
8	Y	Ben Franklin	8888			0.00	01/01/19	12/31/19	12.00	Y	15.00	0.00	0.00	12.00
9	Y	Alexander Graham	9999			0.00	**01/10/19**	**03/10/19**	1.97	Y	13.00	0.00	**1.97**	0.00
10	Y	Alexander Graham	9999			0.00	**03/11/19**	**12/31/19**	9.73	Y	15.00	0.00	0.00	**9.73**
11	Y	Andrew Jackson	1212			0.00	02/01/19	12/31/19	10.98	**N**		**10.98**	0.00	0.00
12	Y	Thomas Jefferson	1313			0.00	01/01/19	12/31/19	12.00	Y	15.00	0.00	0.00	**12.00**
13	Y	Isaac Newton	1414			0.00	**01/01/19**	**03/01/19**	1.97	Y	15.00	0.00	0.00	**1.97**
14	Y	Isaac Newton	1414			0.00	**05/01/19**	**12/31/19**	8.05	Y	15.00	0.00	0.00	**8.05**
15	Y	Tom Edison	1515			0.00	02/01/19	12/31/19	10.98	Y	15.00	0.00	0.00	**10.98**
16	Y	George Washington	1616			0.00	02/01/19	12/31/19	10.98	Y	**9.00**	**10.98**	0.00	0.00
17	Y	Douglas Evans	1717			0.00	02/01/19	12/31/19	10.98	Y	15.00	0.00	0.00	**10.98**
18						0.00			0.00		XX.XX	0.00	0.00	0.00
19						0.00			0.00		XX.XX	0.00	0.00	0.00
20						0.00			0.00		XX.XX	0.00	0.00	0.00

Employment calculations for the base year and grant year are based on full-months. As such, the 4-job threshold is equivalent to **48 full-months** worked in excess of the full-months worked in the base year.

If a firm hires 5 employees on September 1 of the grant year (assuming no turnover), each employee would work 3 full-months in the grant year for a total of 15 full-months in the base year. While the firm hired 5 *people*, the firm would NOT exceed the 4-job threshold because each person only worked a small portion of the year.

JCG WORKSHEET: Sheet 2

As soon as Columns P, Q, R, and S auto-populate, Sheet 2 automatically calculated the figures that will need to be entered into **Form EZ-JCG or EZ-JCG-HUA**. Column C lists the values to be entered on the form.

Values to be Entered in Form EZ-JCG

New Job Creation	*Total Value*	*Form Reference*
# of all equivalent PFTP filled by the firm during the BASE year	**5.05**	Part II., 4.A.
# of all equivalent PFTP filled by the firm during the GRANT year	**13.47**	Part II., 4.B.
New eligible PFTP filled in grant year earning at least 200% of the federal minimum wage and health benefits	**5.48**	Part II., 5.E.
New eligible PFTP filled in grant year earning at least 175% of the federal minimum wage (but less than 200%) and health benefits	**0.16**	Part II., 5.F.

JCG Worksheet | **Form EZ-JCG Values** | Printing Instructions

When printing a hard copy of the JCG/JCG-HUA Worksheet for your grant documentation files, follow the formatting and printing instructions specified on third tab of the worksheet.

FORM EZ-JCG

PART I: BACKGROUND INFORMATION

1. Business Firm Legal Name	2. Trading Name, if Different than Legal Name	3. Date Bus. began Operation in Zone / /
4. Federal Employment ID# (FEIN)/Social Security Number (SSN)	2-Digit EID Suffix	5. Activity # (First three digits of NAICS)
6. Physical Address of Zone Establishment	Town/County/City	Zip Code
7. Type of Application ☐ Standard ☐ High Unemployment Area (HUA)	8. Type of Job Creation Made by the Applicant ☐ Expansion of an existing firm ☐ New firm (Start Up) ☐ Relocation of a firm from outside Virginia ☐ Relocation and expansion of a firm within Virginia City/County Relocated from within Virginia: *Note: Firms are not eligible to apply for the JCG if simultaneously closing a facility in Virginia*	
9. Federal Employment ID# (FEIN) of Parent Company	10. If the Firm is a Subsidiary, Name of the Parent Company	
11. Zone Name	12. Zone #	13. Zone Designation Date / /
14. Name of Local Zone Administrator		
15. Signature of Local Zone Administrator verifying that physical address listed on EZ-JCG Part I Box 6 is in the enterprise zone identified in item 11 above and if marked as an HUA application, is eligible to be processed as such. Date		

1. **Business Firm's Legal Name:** *Indicate the applicant's legal business name.*

2. **Trading Name:** *Indicate the applicant's trading name, if different than its legal name.*

3. **Date Business Began Operation in Zone**: *Indicate the month, day, and year the applicant started operating its business at the zone establishment.*

4. FEIN/SSN and 2-Digit EDI Suffix: The FEIN/SNN provided with the application is used to track the qualified investors and to disburse all grant funds.

- "**FEIN"**: If the applicant is an S Corp, LLC, Partnership, Corporation, Sole Proprietorship, or other business entity, indicate the applicant's Federal Employment Identification Number (FEIN).
- **"SSN"**: If the applicant is an individual, indicate the applicant's Social Security Number (SSN).
- **"2-Digit EDI Suffix":** ***Optional:*** Applicants who already participate in the EDI program through the Department of Accounts should have Suffix numbers for each bank account registered for Commonwealth of Virginia payments. The Suffix number (typically formatted as 00, 01, 02, etc.) should correlate to the desired bank account for the EZ grant payment.

5. **Activity #:** *Indicate the three-digit activity number that applies to the applicant's business type.*
   A chart of activity numbers is located on Pages 25-27. If your firm's activity number is highlighted in red in the chart, your firm or specific positions at your firm are ineligible for JCG. These positions include:
   - Food & Beverage **(NAICS 722),** Retail **(NAICS 44-45),** Personal Services **(NAICS 812)**
   - Units of Local, State, or Federal Government **(Typically FEIN 746)**

6. Physical Address of Zone Establishment: *Indicate the physical location of the applicant's business operation. This establishment must be located within the boundaries of an Enterprise Zone.* Contact the Local Zone Administrator for verification of zone location.

7. Check the type of application. *If an HUA applicant, be sure the JCG-HUA Worksheet was utilized.*

8. Check the type of job creation made by the applicant:

For applicants selecting “Relocation and expansion of firm within Virginia,” make sure the positions are not restricted from the Job Creation Grant, as specified in the Employment Requirements section on Pages 7-8.

9-10. FEIN of Parent Company and if Firm is Subsidiary, Name of Parent Company: *If the business firm is a subsidiary, list the FEIN (#9) and the name of the Parent Company (#10).*

11-13. Zone Name, Zone #, Zone Designation Date: *Indicate the Enterprise Zone in which the business is located.*

Zone names, zone numbers and designation dates are available on the EZ Online Submission System site at https://dmz1.dhcd.virginia.gov/EZonePortal/.

14. Name of Local Zone Administrator: *State the name of the Local Zone Administrator (LZA).*

LZA contact information is available at https://dmz1.dhcd.virginia.gov/EZonePortal/.

15. Zone Verification: *The signature of the Local Zone Administrator is* ***required*** *and the application must be signed and submitted by the April 1st deadline.*

PART II: QUALIFICATION INFORMATION

1. Grant is requested for **Calendar Year** ______ (YYYY). **2.** Check Qualification Year. ☐ YR 1 ☐ YR 2 ☐ YR 3 ☐ YR 4 ☐ YR 5

3. **Base Year** used by the business firm ______ (YYYY). *The base year remains the same for the five years of qualification.*

4. **Grant Eligible Positions** *(Net new positions over four job threshold; Note: PFTPs = Permanent full-time positions.)*

All documented jobs must exclude part-time and temporary positions, as well as positions in retail, food and beverage, and personal services.

A. # of all equivalent PFTPs filled by the firm during the BASE year. (Sheet 2 of JCG Worksheet, Cell B3). ▪ If applying for Years 2-5, this cell should be the same as submitted on the Year 1 application.	A.
B. # of all equivalent PFTPs filled by the firm during the GRANT year. (Sheet 2 of JCG Worksheet, Cell B4).	B.
C. Increase in the # of equivalent PFTPs created over the base year. Subtract line (A) from line (B).	C.
D. Net new jobs created over four net new job threshold. Subtract 4 from line (C). ▪ If line (C) is equal to or less than 4, the firm will not qualify for the JCG.	D.

Base Year Employment is a static number*, and should remain the same for each year in the firm’s five-year grant period.*

Auto-calculated on the online application based on values entered in 4A - B.

Auto-calculated on the online application based on values entered in 5E - F.

5. **Grant Eligible Employees with Qualifying Wage Rates and Health Benefits**

E. New eligible PFTPs filled in the Grant Year, earning at least 200% of the Federal Minimum Wage w/ health care benefits (JCG worksheet: Sheet 2, Cell B5)	E.
F. New eligible PFTPs filled in Grant Year earning at least 175% of the Federal Minimum Wage w/ health care benefits (JCG worksheet: Sheet 2, Cell B6)	F.
G. Number of new grant year PFTPs meeting wage and health benefits requirements. (Sum of lines E and F)	G.

1. **Grant Year:** *Enter the calendar year for which the grant is requested.*

2. **Qualification Year:** *Enter the qualification year (1 -5) for which the grant is requested.*

3. **Base Year:** *Determine the base year from which the business firm is claiming an increase in employment.*
   - Firms may use **either of the two calendar years immediately preceding its first year of grant** eligibility as the base year. This allows a business the discretion to select a base year with lower employment to maximize grant benefits.

- Companies new to Virginia within the past two years will have a **base year employment of zero**.
- Please see Appendix A for instructions on how to qualify for a subsequent five-year grant period.

4. **Grant Eligible Positions:** *Determine the base year for which the business firm is claiming an increase in employment.*

    - Boxes 4A & 4B should be populated with the figures provided on Sheet 2 of the Job Creation Worksheet (excel) in cells B3 & B4.
    - Box 4C must be greater than 4 to qualify for a grant.

5. **Grant Eligible Employees:** *Determine which new positions meet the wage requirements for each grant level.*

    - Boxes 5E & 5F should be populated with the figures provided on Sheet 2 of the Job Creation Worksheet (excel) in cells B5 & B6.

CALCULATION OF GRANT AWARDS

When Box 4D is greater than Box 5G… Use numbers in Boxes E and F to calculate the grant amounts in Boxes 6A and 6B.

When Box 4D is less than Box 5G….

If Box E = 0: Multiply Box D by $500 and enter total in Box 6B and "0" in Box 6A.

If Box F = 0: Multiply Box D by $800 and enter total in Box 6A and "0" in Box 6B.

If values in both Boxes E and F:

- If Box E is less than D, multiply Box E by $800 and enter total in Box 6A. Then subtract Box E from Box D and multiply by $500, and enter total in Box 6B.
- If Box E is greater than Box D, multiply Box D by $800 and enter total in Box 6A, and "0" in Box 6B

When Box 4D or Box 5G are greater than 350…

If the number of grant eligible positions is greater than 350: Follow the calculation instructions described above. However, during the review process, DHCD will adjust the calculations to take the 350-job cap into consideration. Grants will be awarded for eligible positions at the higher grant level first.

6. Grant Requests

A. Requested JCG award for PFTPs earning at least 200% of the Federal Minimum Wage w/ health care benefits ▪ Using procedures from Page 1, multiply appropriate number by $800	A. $
B. Requested JCG award for PFTP earning at least 175% of federal minimum wage (but less than 200% of the Federal minimum wage) w/ health care benefits. ▪ Using procedures from Page 1, multiply appropriate number by $500	B. $
C. Total amount of job creation grants requested. (Sum of Boxes 6A and 6B)	C. $

7. **Applicant used DHCD's Standard JCG Worksheet template to complete this application.** .... ☐ **Yes** ☐ **No**
8. **Applicant reviewed the CPA Attestation Report and has addressed any deficiencies noted in the report.** .... ☐ **Yes** ☐ **No**
9. **This application has been submitted electronically.** .... ☐
10. **Applicant did NOT use any average wages or final wages to represent the annual wage rate of an employee.** .... ☐

Boxes 6A - C are all auto-calculated on the online application.

PART III: CONTACT INFORMATION

The business firm representation provides contact information for the grant applicant representative and his/her mailing address as well as contact information for the CPA who prepared the Attestation Report in this section.

1. Name of Grant Applicant Representative					
Prefix (Mr., Ms., Dr.)	First Name	Last Name	Title	Daytime Phone ( ) -	E-mail Address
Principal Mailing Address			City	State	Zip Code
2. Certified Public Accountant (preparer of required Attestation Report)					
Name of Certified Public Accountant		VA License #	Daytime Phone # ( ) -	Email Address	
3. Accounting Firm	Street Address		City	State	Zip Code

NOTE:

*The email address is **required** as applicants will receive email confirmations/updates throughout the application submission and review process. See Page 5 for more information.*

PART IV: DECLARATION

The application must be signed and dated by a representative of the business firm that has made the management decisions necessary to complete the application and has reviewed the application and required attachments for accuracy and completion. Form EZ-JCG MUST be submitted with an **original** signature.

APPLICANT: I, the undersigned, on behalf of the zone investor, declare that I have made the management decisions necessary to complete this form and this form has been examined by me and is an accurate statement. I have disclosed all of the required documentation so that the CPA could perform the Agreed Upon Procedures established by DHCD. I am authorized to sign on behalf of the zone investor.

Signature	Typed or Printed Name	Title	Date (MM/DD/YYYY)

W-9

A **completed Commonwealth of Virginia Form W-9** form must be submitted with each grant application. The FEIN or SSN listed on the qualification application **Form EZ-JCG or EZ-JCG-HUA** must match the FEIN or SSN on the W-9. A blank W-9 form can be found here:

https://www.doa.virginia.gov/forms/CVG/W9_COVSubstitute.pdf.

CPA ATTESTATION REPORT

CPA Attestation Report (RPIG and JCG)	
CPA Sample Engagement Letter	Sample engagement letter for CPA to provide to client
CPA Agreed Upon Procedures Manual (RPIG and JCG)	Includes information regarding procedures for each grant
Guidance on CPA Attestation Report Format and Documentation of Findings	Includes information on appropriate description of CPA's findings
Real Property Investment Grant Attestation Report Form	Required in prescribed format
Job Creation Grant Attestation Report Form	Required in prescribed format

As required by statute, a CPA must perform an attestation following the Agreed-Upon Procedures outlined by DHCD. The CPA must be independent of the Qualified Zone Investor and licensed in the Commonwealth of Virginia. The CPA will test the documentation and calculations used to prepare the Job Creation Grant application and will report on these procedures and their findings in the Attestation Report. This report is to be signed by the CPA and submitted to DHCD by **April 1, 2020**.

Contact your CPA to find out if they are able to fulfill the attestation requirements for the Job Creation Grant application. All CPAs should know if they are able to perform agreed upon procedures.

These procedures and additional information is available on the EZ Online Submission System site at:

https://dmz1.dhcd.virginia.gov/EZonePortal/cpas.aspx.

?

Can my CPA prepare the application, accompanying materials (worksheets), and attest?

Professional standards (AICPA) provide that a CPA can offer assistance provided the CPA does not assume management responsibilities, such as making management decisions or performing management functions. The decision to follow any advice provided remains with management of the entity.

CPA Attestation Exemption: As provided in §59.1-547 of the Code of Virginia, business firms with base year employment of 100 or fewer permanent full-time positions that create 25 or fewer grant eligible positions **are** exempt from the attestation requirement for that qualification year. If a firm is exempt from the Attestation Report, the firm must submit the Job Creation Worksheet with their application (regardless of qualification year). **The JCG Worksheet must be completed each year the firm seeks qualification for the JCG, regardless of whether the Attestation Report is required.**

Taxability of Grants

Under IRS regulations, grant awards may be considered taxable income. A 1099 will be issued to all EZ grantees for the grant awards received. For tax-related questions, please contact your tax professional for guidance.

Note: If a grant applicant has any type of outstanding liability to the State (such as an outstanding tax liability), the awarded grant amount will be reduced by the dollar amount of the liability. DHCD does not have records of potential liabilities as this process is handled outside the agency. **If you receive a grant award that is less than the amount noted in the qualification letter, please call the Department of Accounts at (804) 371-8383.**

Record Keeping Requirements

The Department may at any time review an applicant's records related to qualification under this section to assure that information provided in the application process is accurate. Qualified Zone Investors shall maintain all documentation regarding JCG qualification for a minimum of three years following the receipt of the grant. Grants that do not have adequate documentation regarding qualified real property investments may be subject to repayment.

All JCG grantees are monitored for their first grant year. Job Creation Grants that do not have adequate documentation regarding permanent full-time positions, report to work criteria, wage rates, or the provision of health benefits may be subject to repayment. The digital version along with a hard copy print out must be kept on file with other grant request records.

CONTACT INFORMATION

If you have any questions about qualifying for the Enterprise Zone grants or other aspects of the program, please contact:

Virginia Department of Housing and Community Development
600 E. Main Street, Suite 300
Richmond, Virginia 23219
(804) 371-7171

EZONE@dhcd.virginia.gov
www.dhcd.virginia.gov

APPENDIX A

A. Requesting a Second or Subsequent five-year Job Creation Grant Period

Business firms who have finished their first 5-year incentive period may qualify for a subsequent grant period provided that they are still creating new jobs eligible to receive Job Creation Grants.

If a second or subsequent five-year grant period is requested within two years after the previous five-year grant period, the subsequent base year will be the last grant year.

If a business firm applies for a subsequent five-year grant period beyond the two years immediately following the completion of the previous five-year grant period, the business firm shall use one of the two preceding calendar years as subsequent base year, at the choice of the business firm.

GLOSSARY: DEFINITIONS FOR JOB CREATION GRANTS

Agreed upon procedures engagement:
Means an engagement between an independent Certified Public Accountant licensed by the Commonwealth and the business or qualified zone investor seeking to qualify for Enterprise Zone incentive grants whereby the independent Certified Public Accountant, using procedures specified by the Department, will test and report on the assertion of the business or qualified zone investor as to their qualification to receive the Enterprise Zone incentive pursuant to 59.1-549 of the Code of Virginia.

Base year, for wage-based Job Creation Grants:
Means either of the two calendar years immediately preceding a business firm's first year of grant eligibility, at the choice of the business firm.

Business firm:
Means any corporation, partnership, electing small business (subchapter S) corporation, limited liability company, or sole proprietorship authorized to do business in the Commonwealth of Virginia. This shall also include business and professional organizations and associations whose classification falls under sectors 813910 and 813910 of the North American Industry Classification System (NAICS) and that generate the majority of their revenue from customers outside the Commonwealth.

Common control:
Means such firms as defined by Internal Revenue Code § 52(b).

Federal Minimum Wage (FMW):
Means the minimum wage standard as currently defined by the United States Department of Labor in the Fair Labor Standards Act, 29, U.S.C. 201 et seq. Such definition applies to permanent full-time employees paid on an hourly or wage basis.

Food and beverage service:
Means a business whose classification falls under subsector 722 Food Services and Drinking Places of North American Industry Classification Systems (NAICS).

Full month:
Means the number of days that the permanent full-time position must be filled in order to count in the calculation of the grant amount. A full month is equivalent to 30.416666 days.

Grant-eligible position:
Means a new permanent full-time position created above the threshold number at an eligible business firm. Positions in retail, personal service or food and beverage service shall not be grant eligible positions.

Health benefits:
Means that at a minimum, medical insurance is offered to employees and the employer shall offer to pay at least 50 percent of the cost of the premium at the time of employment and annually thereafter.

High Unemployment Areas (HUA):
Means Enterprise Zone localities with unemployment rates one and one-half times or more than state average based on the most recent annualized unemployment data published by the Virginia Employment Commission.

Independent Certified Public Accountant:
Means a public accountant certified and licensed by the Commonwealth of Virginia who is not an employee of the business firm seeking to qualify for grants under this Program.

Local Zone Administrator:
Means the chief executive of the city or county in which an Enterprise Zone is located, or his or her designee. Pursuant to Enterprise Zone designations made prior to July 1, 2005, this shall include towns.

Permanent full-time position:
Means a job of indefinite duration at a business firm located in an enterprise zone, requiring the employee to report to work within an enterprise zone; and requiring (i) a minimum of 35 hours of an employee's time per week for the entire normal year of a business firm's operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee's time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year. Such positions shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the Commonwealth to a business firm located with an enterprise zone, (iii) any position that previously existed in the Commonwealth, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the Commonwealth.

Personal Service:
Means such positions as classified under NAICS 812.

Regular basis:
Means at least once a month as related to "report to work" requirements for the wage-based job creation grants.

Related party:
Means those as defined by Internal Revenue Code § 267(b).

Report to work:
Means that the employee filling a permanent full-time position reports to the business' zone establishment on a regular basis.

Retail:
Means a business whose classification falls under sector 44-45 Retail Trade of the North American Industry Classification System (NAICS).

Seasonal employee:
Means any employee who normally works on a full-time basis and whose customary annual employment is less than nine months. For example, individuals hired by a CPA firm during the tax return season in order to process returns who work full-time over a three month period are seasonal employees.

Subsequent base year:
Means the base year for calculating the number of grant eligible positions in a second or subsequent five consecutive calendar year grant period. If a second or subsequent five-year grant period is requested within two years after the previous five-year grant period, the subsequent base year will be the firm's last grant year. The calculation of this subsequent base year employment will be determined by the number of permanent full-time positions in the preceding base year, plus the number of threshold positions, plus the number of grant

eligible positions in the final year of the previous grant period. If a business firm applies for a subsequent five-consecutive-year grant period beyond the two years immediately following the completion of the previous five-year grant period, the business firm shall use one of the two preceding calendar years as subsequent base year, at the choice of the business firm.

Threshold number:
Means an increase of four permanent full-time positions over the number of permanent full-time positions in the base year or subsequent base year.

Transferred employee:
Means an employee of a firm in Virginia that is relocated to an enterprise zone facility owned or operated by that firm.

Wage rate:
Means the hourly wage paid to an employee inclusive of shift premiums and commissions. In the case of salaried employees, the hourly wage rate shall be determined by dividing the annual salary, inclusive of shift premiums and commissions by 1,820 hours. Bonuses, overtime, and tips are not to be included in the determination of wage rate.

CHART OF ACTIVITY NUMBERS

Agriculture, Forestry, Fishing and Hunting	
Activity Code	**Subsector Description**
111	Crop Production
112	Animal Production
113	Forestry and Logging
114	Fishing, Hunting and Trapping
115	Support Activities for Agriculture and Forestry
Mining	
Activity Code	**Subsector Description**
211	Oil and Gas Extraction
212	Mining (except Oil and Gas)
213	Support Activities for Mining
Utilities	
Activity Code	**Subsector Description**
221	Utilities
Construction	
Activity Code	**Subsector Description**
236	Building, Developing, and General Contracting
237	Heavy and Civil Engineering Construction
238	Special Trade Contractors
Manufacturing	
Activity Code	**Subsector Description**
311	Food Manufacturing
312	Beverage and Tobacco Product Manufacturing
313	Textile Mills
314	Textile Product Mills
315	Apparel Manufacturing
316	Leather and Allied Product Manufacturing
321	Wood Product Manufacturing
322	Paper Manufacturing
323	Printing and Related Support Activities
324	Petroleum and Coal Products Manufacturing
325	Chemical Manufacturing
326	Plastics and Rubber Products Manufacturing
327	Nonmetallic Mineral Product Manufacturing
331	Primary Metal Manufacturing
332	Fabricated Metal Product Manufacturing
333	Machinery Manufacturing
334	Computer and Electronic Product Manufacturing
335	Electrical Equipment, Appliance, and Component Manufacturing
336	Transportation Equipment Manufacturing
337	Furniture and Related Product Manufacturing
339	Miscellaneous Manufacturing

Wholesale Trade	
Activity Code	**Subsector Description**
423	Wholesale Trade, Durable Goods
424	Wholesale Trade, Nondurable Goods
425	Wholesale Electronic Markets and Agents and Brokers
Retail Trade – PROHIBITED FROM APPLYING FOR JOB CREATION GRANTS	
Activity Code	**Subsector Description**
441	Motor Vehicle and Parts Dealers
442	Furniture and Home Furnishings Stores
443	Electronics and Appliance Stores
444	Building Material and Garden Equipment and Supplies Dealers
445	Food and Beverage Stores
446	Health and Personal Care Stores
447	Gasoline Stations
448	Clothing and Clothing Accessories Stores
451	Sporting Goods, Hobby, Book, and Music Stores
452	General Merchandise Stores
453	Miscellaneous Store Retailers
454	Nonstore Retailers
Transportation and Warehousing	
Activity Code	**Subsector Description**
481	Air Transportation
482	Rail Transportation
483	Water Transportation
484	Truck Transportation
485	Transit and Ground Passenger Transportation
486	Pipeline Transportation
487	Scenic and Sightseeing Transportation
488	Support Activities for Transportation
491	Postal Service
492	Couriers and Messengers
493	Warehousing and Storage
Information	
Activity Code	**Subsector Description**
511	Publishing Industries
512	Motion Picture and Sound Recording Industries
515	Broadcasting and Telecommunications
517	Telecommunications
518	Data Processing Services, Hosting, and Related Services
519	Other Information Services
Finance and Insurance	
Activity Code	**Subsector Description**
521	Monetary Authorities - Central Bank
522	Credit Intermediation and Related Activities
523	Securities, Commodity Contracts, Other Financial Investments and Related Activities
524	Insurance Carriers and Related Activities
525	Funds, Trusts, and Other Financial Vehicles

Real Estate and Rental and Leasing	
Activity Code	**Subsector Description**
531	Real Estate
532	Rental and Leasing Services
533	Lessors of Nonfinancial Intangible Assets (except Copyright)
Professional, Scientific, and Technical Services	
Activity Code	**Subsector Description**
541	Professional, Scientific, and Technical Services
Management of Companies and Enterprises	
Activity Code	**Subsector Description**
551	Management of Companies and Enterprises
Administrative and Support and Waste Management and Remediation Services	
Activity Code	**Subsector Description**
561	Administrative and Support Services
562	Waste Management and Remediation Services
Educational Services	
Activity Code	**Subsector Description**
611	Educational Services
Health Care and Social Assistance	
Activity Code	**Subsector Description**
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities
624	Social Assistance
Arts, Entertainment, and Recreation	
Activity Code	**Subsector Description**
711	Performing Arts, Spectator Sports, and Related Industries
712	Museums, Historical Sites, and Similar Institutions
713	Amusement, Gambling, and Recreation Industries
Accommodation and Food Services	
Activity Code	**Subsector Description**
721	Accommodation
722	**Food Services and Drinking Places**-- **PROHIBITED FROM APPLYING FOR JOB CREATION GRANTS**
Other Services (except Public Administration)	
Activity Code	**Subsector Description**
811	Repair and Maintenance
812	**Personal and Laundry Services—PROHIBITED FROM APPLYING FOR THE JOB CREATION GRANT**
813	Religious, Grant making, Civic, Professional, and Similar
814	Private Households