

Grant Year 2015

Enterprise Zone Job Creation Grant Instruction Manual



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities

600 E. Main Street, Suite 300

Richmond, Virginia 23219

(804) 371-7030

EZONE@dhcd.virginia.gov

www.dhcd.virginia.gov

TABLE OF CONTENTS

ABOUT THIS MANUAL.....	3
ENTERPRISE ZONE GRANT QUALIFICATION PROCESS.....	53
ACCESSING THE JCG APPLICATION AND ADDITIONAL INFORMATION.....	Error! Bookmark not defined. 3
HIGH UNEMPLOYMENT AREAS	Error! Bookmark not defined.
SUBMITTAL REQUIREMENTS	5
ONLINE SUBMITTAL.....	65
PAPER SUBMITTAL.....	5
EMAIL CONFIRMATIONS.....	6
SUBMITTAL OF MULTIPLE APPLICATIONS	6
TAXABILITY OF GRANTS.....	6
RECORD KEEPING REQUIRMENTS	7
GRANT YEAR 2015 TIMELINE.....	7
JOB CREATION GRANTS.....	8
GENERAL LIMITATIONS	9
EMPLOYMENT RESTRICTIONS	9
JOB CREATION GRANT QUALIFICATION PROCESS	10
REQUIRED APPLICATION MATERIALS.....	12
JCG/JCG-HUA WORKSHEET: STEP-BY-STEP INSTRUCTIONS.....	13
FORM EZ-JCG/EZ-JCG-HUA.....	18
W-9.....	21
CPA ATTESTATION REPORT	21
CONTACT INFORMATION	22
APPENDIX	22
GLOSSARY: DEFINITIONS FOR JOB CREATION GRANTS	23
CHART OF ACTIVITY NUMBERS.....	26

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. Additionally, important definitions, guidelines, and reminders are also 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 pertaining to online submittals & 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 23-25. 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. 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.

ACCESSING THE JCG 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. The EZ Application Submission System site can be found here: <https://dmz1.dhcd.virginia.gov/EZApplication/>.



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 the grant application. The template for the *JCG CPA Attestation Report* and the *CPA Agreed Upon Procedures Instruction Manual* are available on the EZ Online Submission site under the **CPA Attestation Report (RPIG and JCG)** header. For specific information on CPA eligibility, see the text box on page 21 of this manual.

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.

2015 High Unemployment Areas (HUA)			
Brunswick County	#32	City of Hopewell	#9
Town of Chilhowie	#51**	Town of Lawrenceville	#32
Town of Clintwood	#49	City of Martinsville	#36**, #54**
City of Covington	#53**	Page County	#30
City of Danville	#1, #57**	City of Petersburg	#10, #47**
Dickenson County	#49	Prince Edward County	#48**
City of Emporia	#43**	Town of Saltville	#6
City of Franklin	#18**	Town of South Boston	#15
Halifax County	#15	Smyth County	#6, #51**
Town of Haysi	#49	Tazewell County	#44
**The following communities in joint zones are NOT HUAs: Alleghany County (Clifton Forge), Charlotte County, Dinwiddie County, Greensville County, Henry County, Isle of Wight County, Lunenburg County, Pittsylvania County, Southampton County, Washington County (Glade Spring). Businesses in these communities are not eligible for the reduced wage threshold. Source: DHCD based on the LAUS Unit and Bureau of Labor Statistics 2014 Annual Virginia Unemployment Report.			

Dickenson (including Clintwood and Haysi), Page and Tazewell Counties are now considered HUA zones. Businesses in these zones 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: The City of Galax, Greensville County, Henry County, Mecklenburg County (including LaCrosse and South Hill), Richmond County and Wise 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.**

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.

 DHCD reviews all applications for completeness. Any application submitted without the required CPA Attestation Report or submitted after the April 1st 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 to enable a more efficient processing. Online applications must be submitted through the system by no later than **11:59 PM, April 1, 2016 (EST)**. 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. 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 applications is discouraged.

Virginia Department of Housing and Community Development

600 East Main Street, Suite 300

Richmond, Virginia 23219

(804) 371-7030

EZONE@dhcd.virginia.gov

www.dhcd.virginia.gov

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 April 1st. 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.

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.

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.

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.**

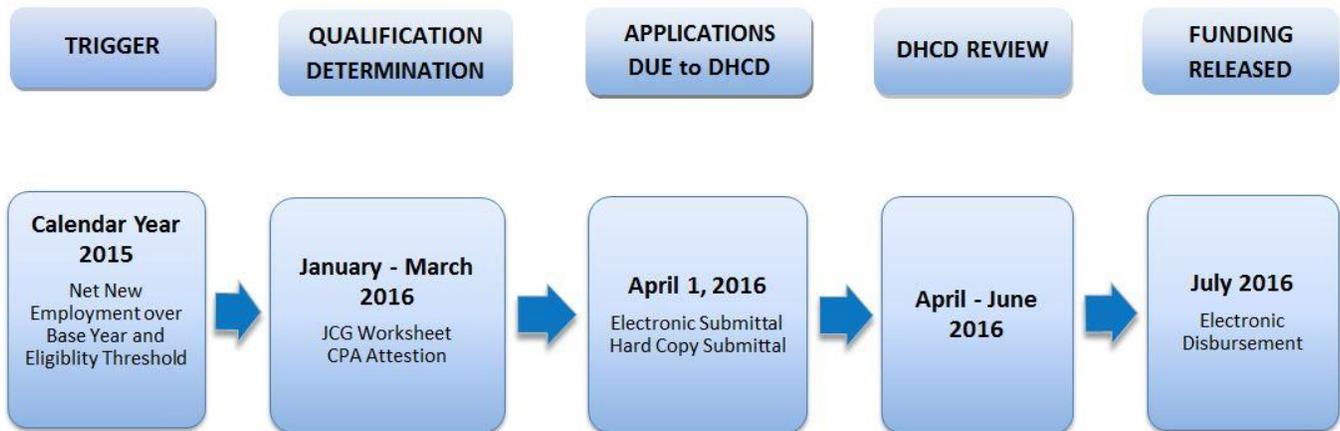
RECORD KEEPING REQUIREMENTS

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.

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.

GRANT YEAR 2015 TIMELINE

Virginia Enterprise Zones JCG Qualification Process Grant Year 2015



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 for the JCG. Firms can receive grants for **up to 350 positions** per year.*

<p>Grant Restrictions</p> 	<ul style="list-style-type: none"> • The following positions are ineligible for the JCG: <ul style="list-style-type: none"> • Personal service, food and beverage, and retail positions (<i>as defined in Glossary</i>) • The following entities are prohibited from applying for the JCG: <ul style="list-style-type: none"> • Units of local, state, or federal government • Non-profit, other than those classified as NAICS 813910 and 813920.
<p>Eligibility Requirements</p> 	<ul style="list-style-type: none"> • The business's operations 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. • The net new permanent full-time positions created over the four-job threshold must meet wage and health benefit requirements. <ul style="list-style-type: none"> • Positions must earn at least 175% of the Federal Minimum Wage¹, 150% in High Unemployment Areas. • Firm must offer to cover at least 50% of employee's health insurance premium.
<p>Grant Term</p> 	<ul style="list-style-type: none"> • Five-year periods beginning with the first qualification year in which a Job Creation Grant was awarded. <ul style="list-style-type: none"> • 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. • Base year employment levels are established during the first grant year and will remain consistent throughout the 5-year grant period. • 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.
<p>Grant Calculations</p> 	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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.

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.
- Businesses that previously started qualification for the General Income Tax Credit may initiate qualification for the Job Creation Grants. However, the business firm cannot receive the Tax Credit and Job Creation Grant for the same positions. *Contact DHCD at 804-371-7030 for more information.*

EMPLOYMENT RESTRICTIONS

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.

?

Permanent full-time position

A person employed by a business firm, located within an Enterprise Zone, who is normally scheduled to work either a:

- 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.

 Employees filling the following positions will not contribute to a Job Creation Grants but **may be included on the 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 where the firm pays **at least 50% of health insurance premium** based on the health benefits agreement, signed by the employee.
- The employees above will be automatically filtered out of the JCG Calculations when the **JCG Worksheet** is completed correctly in *Excel*.

 Employees filling the following positions cannot be included in the calculations of Job Creation Grants and **should be excluded from the JCG Worksheet:**

- Positions not meeting the definition of ‘[Full-Time](#)’, as described in the text box on page 9.
- Positions in [retail](#), [personal service](#), or [food and beverage services](#);
- A [seasonal](#), temporary, leased, or contract labor position.
- A position that previously existed elsewhere in the Commonwealth, including any position that was [transferred](#) from outside a zone location to a zone location.
- Positions created by a business that is simultaneously closing 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).
- An employee whose previous job function qualified for a JCG in connection with a different Enterprise Zone location on behalf of the taxpayer, a related job, or a trade or business under common control (cannot claim the same job twice).
- A person whose position previously qualified for Enterprise Zone residency-based Job Grants, Enterprise Zone General Income Tax Credits, or Enterprise Zone Investment Tax Credits.
- A person whose position previously qualified a firm for the Major Business Facility Tax Credit.



Grant Calculations

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 changes during the qualification year.

JOB CREATION GRANT QUALIFICATION PROCESS

1. Confirm the business location is within and Enterprise Zone.

- Contact the [Local Zone Administrator](#) for verification of zone location.
- LZA contact information can be found on the EZ Online Submission System site at the following link: <https://dmz1.dhcd.virginia.gov/EZApplication/>.

2. **Confirm the business and positions are not restricted from applying for grant.**

- See the [chart of activity numbers](#) for a listing of NAICS codes. Those restricted from applying are highlighted in red.
- Restricted positions:
 - Personal Service, Food & Beverage, Retail (**NAICS 812 & 722**).
 - Units of Local, State, or Federal Government (**Typically FEIN 746**).

?

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.

3. **Determine the [base year](#) for 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**.
- **Base Year Employment is a static number**, and should remain the same for each year in the firm's five-year grant period.
- Please see [Appendix A](#) for instructions on how to qualify for a subsequent five-year grant period.

4. **Determine if the business firm has created at least four net new [permanent full-time positions](#) over the established base year.**

- Use the employee's **I-9 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.

5. **Determine which of the new positions over the four-job threshold meet the wage requirements.**

- Gather **first and last payroll records** for each employee for both the base year and grant year.
 - Identify employees with hourly wage rates of at least 175% of the FMW (150% in HUAs).
 - For firms with high employee turnover, each permanent full-time position may be filled by multiple employees during a given grant year.
 - **Employees receiving raises (or decreases) in pay during the grant year must be listed on a separate line for each wage fluctuation.**
 - **Applicants may not use their average wage rate OR ending wage rate to represent an employee's annual wages.**

 **WARNING:**

Applicants **may not** use their average wage rate OR ending wage rate to represent an employee's annual wages. Using **average or ending** wages creates calculation errors that typically result in overpayment to the grantee by the Commonwealth. The Department requires grantees to repay the funds to which they were not entitled.

6. Determine which of the new positions over the four-job threshold meet the health benefit requirements.
 - Verify that employees meeting the wage requirements were **offered** health insurance coverage where the firm pays at least 50% of health insurance premium based on the health benefits agreement, signed by the employee.
 - **Health insurance waivers must be collected from employees filling grant eligible positions that have declined health benefits.**
7. Contact an **independent** CPA licensed in the state of Virginia to complete an Attestation of the application, following the required **Agreed Upon Procedures** provided by DHCD.

 **REQUIRED APPLICATION MATERIALS**

Form EZ-JCG or EZ-JCG-HUA must be submitted online **by 11:59 PM on April 1st, 2016 (EST)**. After submitting the online form, applicants should print the completed EZ-JCG 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
<ul style="list-style-type: none"> • Form EZ-JCG or EZ-JCG-HUA • W-9 • JCG Worksheet Sheet ** • CPA Attestation Report <p>*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.</p>	<p>All application materials are due to DHCD on April 1st, 2016.</p> <p>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.</p>

 Any applications submitted without the required CPA Attestation Report or submitted after April 1st (but before May 15th) will be held until the Department determines that funds remain. At such time, the Department will review and process such applications on a first-come, first-serve basis.

 Details and instructions regarding each of the listed application materials are included in the following sections. Forms EZ-JCG and EZ-JCG-HUA, as well as the JCG Worksheet, CPA Attestation Report and W-9 templates are all available on the [EZ Online Submission System](#).

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.

 Once the business firm collects the preliminary information listed on pages 10 - 12 and determines that the firm is eligible to apply for the Job Creation Grant, the business firm will then need to complete the **JCG Worksheet or the JCG-HUA Worksheet if applicable**.

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/EZApplication/>.

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 2015.
 - The JCG Worksheet is pre-programmed for Grant Year 2015.
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 2015, Year 1 applicants may choose from calendar year 2014 or 2013 as the base year.**
 - The grant year employment must reflect the creation of at least four net new permanent full-time positions over the base year employment.
 - **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 employment on Form EZ-JCG or EZ-JCG-HUA, Part II, Box 4A as was reported on their Year 1 application.
 - Please see [Appendix A](#) for instructions on how to qualify for a subsequent five-year grant period.

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.
- For any date entered in the grant year that is not in 2015, the cell will highlight in **red**.
- 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 long 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 10.
- 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.
- **Employees whose wages fluctuated during the BASE YEAR should not be listed more than once.**

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. The result should be 2 alphabetical lists of employees, with the base year employees listed first, and the grant year employees listed second.

	A	B	C	D
17	Employees Filling Permanent Full-Time Positions			
18	Employee Number	Included in CPA Sample Y/N	Employee Name	Last 4 digits of SSN
19				
20	1	Y	Tory McGowan	2292
21	2	Y	Kyle Meyer	2222
22	3	N	Helen Person	3333
23	4	Y	Jeff Saddler	4444
24	5	Y	Bill Shelton	5555
25	6	Y	Jordan Snelling	6666
26	7	Y	Charles Darwin	7777
27	8	N	Ben Franklin	8888
28	9	Y	Alexander Graham	9999
29	10	Y	Alexander Graham	9999
30	11	Y	Andrew Jackson	1010
31	12	Y	Thomas Jefferson	1111
32	13		Abraham Lincoln	1212
33	14		Barack Obama	1313
34	15		Isaac Newton	1414
35	16		Isaac Newton	1414
36	17		George Washington	1515
37	18			
38	19			
39	20			
40	21			
41	22			
42	23			



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

- An employee was employed during two or more **separate periods** in a single base or grant year.
- An employee’s **wages fluctuated during the grant year.**

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 Tory McGowan and Kyle Meyer are also highlighted because the same value has been added twice. This could be a coincidence or it could be an error. The red is a warning to double check.

See screenshot on page 15 for more details.

COLUMNS E-M: BASE AND GRANT YEAR EMPLOYMENT

To complete this portion of the Worksheet, use the employees' payroll record documentation and I-9.

5. Column E: "First work date in base year" Enter first work date of EF-PFTP in base year.

- Dates entered in columns E & F must fall within the same calendar year aka the base 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 the grant year (2015). 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 2015" Enter the first work date of EF-PFTP in the grant year.

- For employees who were only employed in the base year and not during the grant year, Columns J and K should be left blank.
- *Example:* Tory McGowan (Line 1) was only employed in the base year 2013. For this reason, Columns J and K are left blank for the row pertaining to his work dates.

8. Column K: "Last work date in grant year 2015" 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.

17	A	B	C	D	E	F	I	J	K	M
18	Employees Filling Permanent Full-Time Positions				Base Year			Current Grant Year (G)		
19	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 2015	Last work date in grant year 2015	Months the EF PFTP worked in Grant Year 2015
20	1	Y	Tory McGowan	2222	01/01/13	03/13/13	2.37			0.00
21	2	Y	Kyle Meyer	2222	01/01/13	12/31/13	12.00	01/01/15	12/31/15	12.00
22	3	N	Helen Person	3333	01/01/13	12/31/13	12.00	01/01/15	12/31/15	12.00
23	4	Y	Jeff Saddler	4444	06/13/13	12/31/13	6.64	01/01/15	12/31/15	12.00
24	5	Y	Bill Shelton	5555	01/01/13	12/31/13	12.00	01/01/15	06/01/15	5.00
25	6	Y	Jordan Snelling	6666	09/14/13	12/31/13	3.58	01/01/15	12/31/15	12.00
26	7	Y	Charles Darwin	7777			0.00	01/01/15	12/31/15	12.00
27	8	N	Ben Franklin	8888			0.00	01/01/15	12/31/15	12.00
28	9	Y	Alexander Graham	9999			0.00	01/01/15	03/14/15	2.40
29	10	Y	Alexander Graham	9999			0.00	03/15/15	12/31/15	9.60
30	11	Y	Andrew Jackson	1010			0.00	03/15/15	12/31/15	3.55
31	12	Y	Thomas Jefferson	1111			0.00	01/01/15	08/14/15	7.43
32	13		Abraham Lincoln	1212			0.00	01/01/15	12/31/15	12.00
33	14		Barack Obama	1313			0.00	01/01/15	12/31/15	12.00
34	15		Isaac Newton	1414			0.00	01/01/15	02/15/15	1.51
35	16		Isaac Newton	1414			0.00	03/15/15	12/31/15	3.55
36	17		George Washington	1515			0.00	01/01/15	12/31/15	12.00

COLUMNS N-O: HEALTH BENEFITS AND HOURLY WAGES FOR GRANT YEAR EMPLOYEES

9. Column N: “Offered Health Benefits Y/N” For 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.
- For any employees new to the grant year that did not receive or were not offered health benefits, the applicable wage (Column O) is programmed to shade in black. **DO NOT enter the wage rate for employees not offered health benefits. They are not eligible for the JCG.**
- *Example:* Andrew Jackson (Line11) was not offered health insurance. The “N” in Column N automatically triggered Column O to shade in black.

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](#).

- **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 net new positions.
- **Wages should never be entered for employees not offered health benefits.**
- *Example:* Alexander Graham (Lines 9-10) received a wage raise, effective March 13th as reflected in Columns J-K and Column O.

	A	B	C	D	E	F	I	J	K	M	N	O
17	Employees Filling Permanent Full-Time Positions			Base Year				Current Grant Year (GY): 2015				
18	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 2015	Last work date in grant year 2015	Months the EF PFTP worked in Grant Year 2015	Offered Health Benefits Y/N	Hourly wage Rate for Employees listed in ONLY Grant Year
19	1	Y	Tory McGowan	2322	01/01/13	03/13/13	2.37			0.00		
20	2	Y	Kyle Meyer	2322	01/01/13	12/31/13	12.00	01/01/15	12/31/15	12.00		
21	3	N	Helen Person	3333	01/01/13	12/31/13	12.00	01/01/15	12/31/15	12.00		
22	4	Y	Jeff Saddle	4444	06/13/13	12/31/13	6.64	01/01/15	12/31/15	12.00		
23	5	Y	Bill Shelton	5555	01/01/13	12/31/13	12.00	01/01/15	06/01/15	5.00		
24	6	Y	Jordan Snelling	6666	09/14/13	12/31/13	3.58	01/01/15	12/31/15	12.00		
25	7	Y	Charles Darwin	7777			0.00	01/01/15	12/31/15	12.00	Y	13.00
26	8	N	Ben Franklin	8888			0.00	01/01/15	12/31/15	12.00	Y	15.00
27	9	Y	Alexander Graham	9999			0.00	01/01/15	03/14/15	2.40	Y	13.00
28	10	Y	Alexander Graham	9999			0.00	03/15/15	12/31/15	9.60	Y	15.00
29	11	Y	Andrew Jackson	1010			0.00	09/15/15	12/31/15	3.55	N	
30	12	Y	Thomas Jefferson	1111			0.00	01/01/15	08/14/15	7.43	Y	15.00
31	13	N	Abraham Lincoln	1212			0.00	01/01/15	12/31/15	12.00	Y	15.00
32	14	Y	Barack Obama	1313			0.00	01/01/15	12/31/15	12.00	Y	15.00
33	15	Y	Isaac Newton	1414			0.00	01/01/15	02/15/15	1.51	Y	13.00
34	16	Y	Isaac Newton	1414			0.00	09/15/15	12/31/15	3.55	Y	13.00
35	17	N	George Washington	1515			0.00	01/01/15	12/31/15	12.00	Y	18.00



IMPORTANT INFORMATION CONCERNING EMPLOYEE RAISES

If an employee received raises (or a decrease in pay) during the grant year, they **MUST be listed on a separate line** on the JCG/JCG-HUA Worksheet for each wage fluctuation. **DO NOT** use their average wage rate **OR** their ending wage rate. Doing so **creates calculation errors that typically result in overpayment** to the grantee by the Commonwealth. The Department requires grantees to repay the funds to which they were not entitled. **The CPA Agreed Upon Procedures were established to identify such errors and they should be carried out diligently.**

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 through 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.

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 2015	Last work date in grant year 2015	Months the EF PFTP worked in Grant Year 2015	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 \$12.63/hr but less than \$14.50/hr	New EF PFTP in GY earning at least \$14.50/hr
01/01/13	03/13/13	2.37			0.00			0.00	0.00	0.00
01/01/13	12/31/13	12.00	01/01/15	12/31/15	12.00			12.00	0.00	0.00
01/01/13	12/31/13	12.00	01/01/15	12/31/15	12.00			12.00	0.00	0.00
06/13/13	12/31/13	6.64	01/01/15	12/31/15	12.00			12.00	0.00	0.00
01/01/13	12/31/13	12.00	01/01/15	06/01/15	5.00			5.00	0.00	0.00
03/14/13	12/31/13	3.58	01/01/15	12/31/15	12.00			12.00	0.00	0.00
		0.00	01/01/15	12/31/15	12.00	Y	13.00	0.00	12.00	0.00
		0.00	01/01/15	12/31/15	12.00	Y	15.00	0.00	0.00	12.00
		0.00	01/01/15	03/14/15	2.40	Y	13.00	0.00	2.40	0.00
		0.00	03/15/15	12/31/15	9.60	Y	15.00	0.00	0.00	9.60
		0.00	03/15/15	12/31/15	3.55	N		3.55	0.00	0.00
		0.00	01/01/15	08/14/15	7.43	Y	15.00	0.00	0.00	7.43
		0.00	01/01/15	12/31/15	12.00	Y	15.00	0.00	0.00	12.00
		0.00	01/01/15	12/31/15	12.00	Y	15.00	0.00	0.00	12.00

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.

	A	B	C
1	Values to be Entered in Form EZ-JCG		
2	New Job Creation	Total Value	Form Reference
3	# of all equivalent PFTP filled by the firm during the BASE year	4.05	Part II., 4.A.
4	# of all equivalent PFTP filled by the firm during the GRANT year	11.75	Part II., 4.B.
5	New eligible PFTP filled in grant year earning at least 200% of the federal minimum wage and health benefits	5.42	Part II., 5.E.
6	New eligible PFTP filled in grant year earning at least 175% of the federal minimum wage (but less than 200%) and health benefits	1.62	Part II., 5.F.



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.

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/EZApplication/>.

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/EZApplication/>.

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 I: 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. <input type="text"/>
B. # of all equivalent PFTPs filled by the firm during the GRANT year. (Sheet 2 of JCG Worksheet, Cell B4).	B. <input type="text"/>
C. Increase in the # of equivalent PFTPs created over the base year. Subtract line (A) from line (B).	C. <input type="text"/>
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. <input type="text"/>

Base year employment should remain the same for all applications submitted by the firm in the 5-year cycle.

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

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. <input type="text"/>
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. <input type="text"/>
G. Number of new grant year PFTPs meeting wage and health benefits requirements. (Sum of lines E and F)	G. <input type="text"/>

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

Calculation of Grants: Firms cannot receive grants for more than the net new PFTPs over the four job threshold (Part II, 4D).

When line D is greater than line G... Use numbers on lines E and F to calculate the grant amounts on line 6A and 6B.

When line G is greater than line D....

- **If line E = 0:** Multiply line D by \$500 and enter total on line 6B and "0" on line 6A.
- **If line F = 0:** Multiply line D by \$800 and enter total on line 6A and "0" on line 6B.
- **If values on both line E and F:**
 - **If E is less than line D:** Multiply line E by \$800 and enter total on line 6A. Then subtract line E from line D and multiply by \$500. Enter total on line 6B.
 - **If line E is greater than line D:** Multiply line D by \$800 and enter total on line 6A, and "0" on line 6B.

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 150% 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. ▪ Add lines A and B.	C. \$

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

 Lines 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 (Grant correspondence will be mailed to this address)			City	State	Zip Code
2. Certified Public Accountant (Preparer of Required Attestation Report)					
▪ If the firm is exempt from the CPA attestation due to the size of the firm and the number of new employees, please enter "Not Applicable" and 0's for the phone number, license number, and zip code.					
Name of Certified Public Accountant		VA License #	Daytime Phone # () - -	Email Address	
3. Accounting Firm	Street Address		City	State	Zip Code

 The email address is **required** as applicants will receive email confirmations/updates throughout the application submission and review process. See pages 5-6 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.

Part IV: DECLARATION

GRANT APPLICANT REPRESENTATIVE: I, the undersigned, on behalf of the firm, 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 applicant firm.

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

W-9

A completed W-9 form must be submitted with each grant application. The FEIN listed on the qualification application EZ-JCG/EZ-JCG-HUA must match the FEIN on the W-9. The grant award must be sent to the address provided on the W-9 even if it is different than the mailing address provide on the grant application. A blank W-9 form can be found on the EZ Online Submission System site at <https://dmz1.dhcd.virginia.gov/EZApplication/>.

CPA ATTESTATION REPORT

As required by statute, a CPA must perform an attestation following the [Agreed-Upon Procedures](#) outlined by DHCD . 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 as part of the application materials due to DHCD on April 1st.

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 the Agreed Upon Procedures.

These procedures and additional materials are available on the EZ Online Submission System site at: <https://dmz1.dhcd.virginia.gov/EZApplication/CPAs.aspx>.

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**. However, the firm is not exempt from completing the required Job Creation Grant Worksheet. **The JCG Worksheet must be completed each year the firm seeks qualification for the JCG.**



Can my CPA prepare the application and 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 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

Note: Business firms with base year employment of 100 or fewer permanent full-time positions that create 25 or fewer grant eligible positions seeking to qualify for Job Creation Grants are not required to submit a CPA Attestation Report. Instead, the firm is required to submit their JCG Worksheet to DHCD. **All other JCG and RPIG applications must be accompanied by a CPA Attestation Report.**

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) 371-7030

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

APPENDIX

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

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

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