

New Jersey Economic Development Authority  
**AUP Testing Procedure Document for Grow NJ EOA**

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**Objective:** The purpose of this document is to provide the list of procedures that must be tested by an Independent Accounting Firm in their Agreed Upon Procedures (AUP). This list of procedures is not meant to be an exhaustive list as this document is not applicant specific.

1. Provide the NJEDA with a copy of your Peer Review Letter.
2. Obtain and read the executed Approval Letter and Incentive Agreement between the award recipient and NJEDA as well as all applicable Statute and rules.
3. The primary business of the applicant should be described and supported in detail in the AUP.
4. Qualified Business Location Procedures
  - a. The project address where the Capital Investment was made, and the incented employees work is the Board approved Qualified Business Facility (QBF) address.
  - b. The QBF is owned and/or leased by an appropriate party (the applicant or an entity that meets the definition of Affiliate and has been added to the Incentive Agreement as an Affiliate).
  - c. The applicant (including all related entities, not just Affiliates) did not violate Material Factor requirements by committing to the QBF prior to Board approval.
  - d. The applicant (or an approved Affiliate) owns and/or leases the QBF for the required length of time (1.5 times the Eligibility Period) starting on the Eligibility Period Commencement Date. The applicant (or an approved Affiliate) owns and/or leases the QBF for the required length of time (the total time period pledged) starting on the Eligibility Period Commencement Date if the applicant pledged to remain in the QBF in excess of 15 years.
  - e. What type of facility the QBF is (a New or Existing Facility as well as how the QBF meets the requirements of being an Industrial Premises, or a Warehouse, or a Logistics facility, or an R&D facility, or is it none of the aforementioned?) should be described and supported.
  - f. The Gross Leasable Area of the QBF.
  - g. The applicant (or an approved Affiliate) has not subleased more than 5% of the QBF to other entities.
5. Capital Investment Procedures
  - a. The applicant's recalculated minimum Capital Investment amount, based on the Gross Leasable Area of the QBF, along with a finding that the applicant exceeded the minimum Capital Investment.
  - b. When each Capital Investment was made.
  - c. Any Capital Investments made within 24 months prior to application were accompanied by the requisite amount of Capital Investment made after application.
  - d. Who made each Capital Investment.

- e. Where the Capital Investments are domiciled (i.e. is the Capital Investment currently at the QBF and intended to stay there).
- f. The Capital Investments were accurately classified with supporting documentation (invoice and description) for each Capital Investment provided with the AUP.
- g. The Soft Costs were accurately classified with supporting documentation (invoice and description) for each Soft Cost provided with the AUP. This should include a finding that the Soft Costs do not exceed 20% of the total Capital Investment as per the published Regulations.
- h. The amount of Capital Investment needed to receive the bonus for Capital Investment in an Industrial Premises along with a finding that the applicant exceeded the minimum Capital Investment needed to receive this bonus (if applicable).
- i. The minimum Capital Investment at each building in a multi-building QBF along with a finding that the applicant exceeded the minimum Capital Investment at each building (if applicable).
- j. The minimum Capital Investment for a Mega Project along with a finding that the applicant exceeded the minimum Capital Investment for a Mega Project (if applicable).
- k. If the actual Capital Investment was reduced from the amount of Capital Investment approved, recalculate the award amount for each Retained Full-Time Job.
- l. If the actual Capital Investment for a “Camden Alternative” project was reduced from the amount of Capital Investment approved, recalculate the award amount for each incented job.

## 6. Employment Procedures

- a. The applicant met the minimum Retained Full-Time Jobs requirement at the time of approval and at certification with supporting documentation of the Retained Full-Time Jobs (if applicable).
- b. The applicant meets the minimum number of New Full-Time Jobs after backfilling any lost Retained Jobs with supporting documentation of the New Full-Time Jobs (if applicable).
- c. The applicant employs the required non-incented jobs (“Condition 6 employees”) at the QBF and these positions are filled prior to counting any incented jobs (if applicable).
- d. The applicant and its Affiliates meet the minimum Statewide Base Employment requirement (not including incented New Full-Time Jobs) along with supporting documentation.
- e. The incented employees meet the requirement of working at least 35 hours per week in addition to working at the QBF at least 80% of the time, are offered the required healthcare plan and are not part of any other State incentive program.
- f. The New Jersey Gross Income Tax withholdings of each of the applicant’s employees at the QBF (if applicable).
- g. The applicant’s recalculated award amount for each incented job if the actual employment for a “Camden Alternative” project was reduced from the amount of employment approved (if applicable).

7. How the applicant met the requirements of every awarded bonus with supporting documentation.
8. How an applicant approved as a Mega Project meets the requirements of being a Mega Project (if applicable).
9. Affiliates Definition (if applicable)
  - a. The Affiliates meet the Statutory definition of Affiliates with a detailed explanation of how the Affiliates meet that definition.
  - b. Whether the Affiliates contributed Capital Investment and/or eligible employees with an amount shown for each.
  - c. Whether the Affiliates' employees are counted in the Statewide Base number with a corrected Statewide Base number if they were not.
10. Calculation of the percentage reduction in Capital Investment, employment, or salaries from approval (if applicable).
11. Recalculation of the total tax credit amount per the information contained in the AUP as per all the above.

If the AUP does not demonstrate that the applicant complied with all eligibility requirements of the Grow New Jersey Assistance Program Act, the CPA will be notified of the deficiencies and an amended AUP report will be issued by the CPA that addresses the deficiencies. If the amended AUP does not demonstrate compliance with the eligibility requirements of the Grow New Jersey Assistance Program Act, the notification and amendment process will be repeated until an acceptable AUP is produced by the CPA and is submitted to and accepted by the NJEDA.