**Section 520.420 Project Eligibility and Approval**

A business entity may receive a deduction against income subject to State taxes for a contribution to a DZO if the project for which the contribution is made has been specifically approved by the designating municipality and by the Department. Any DZO seeking to have a project approved for contribution must submit an application to the Department describing the nature and benefit of the project and its potential contributors.

a) Standard Applications. The Department shall provide a standard application to any DZO seeking to qualify a project for contributions eligible for tax deductions in accordance with Section 10-10 of the Act. Applications shall be processed in accordance with Section 10-10(e) of the Act.

b) Project Approval Period. Applications shall be approved for a period of one project fiscal year. Continuation of project approval and eligibility for contributions in future years shall require a new application and current documentation, including:

1) A project balance sheet showing assets and liabilities, in accordance with the most recent accounting standards of the Financial Standards Board of the American Institute of Certified Public Accountants as contained in the publication entitled AICPA Professional Standards, American Institute of Certified Public Accountants, Harborside Financial Center, 201 Plaza 3, Jersey City, New Jersey 07311 (June 2001, no later editions are incorporated);

2) A project budget; and

3) Information regarding the extent to which project objectives have been accomplished.

c) Renewal Applications

1) All renewal applications shall be submitted at least 90 days prior to the start of the budget fiscal year or program year for which approval is requested.

2) Within 15 days after receipt of the application, the Department shall notify the DZO in writing regarding project renewal. In the event the renewal application is determined deficient, the Department will notify the DZO of the deficiencies. The DZO shall have 15 days from the date of the notice of deficiency to submit corrected or additional information.

3) Within 5 days after the start of the budget fiscal year for which the project renewal is requested, the Department shall notify the DZO that the application is accepted and that the project will be renewed or that the application is deficient and the renewal is denied.

d) Written Endorsement Requirement. In no case shall a project be approved by the Department that does not have the written endorsement of the designating units of government.

e) Project Proposal. A proposed project shall enhance the River Edge Redevelopment Zone in accordance with Section 10-10(c) of the Act. In describing how the proposed project will enhance the River Edge Redevelopment Zone, the DZO shall address the following:

1) Assessment of Need. The applicant shall identify the specific need, problem or objective that will be addressed by the proposed project.

2) Project Objectives. The applicant shall identify how the project will offer relief from the identified problems or meet the identified need.

3) Project Criteria. In accordance with Section 10-10(b) of the Act, a DZO must demonstrate that the proposed project meets all of the following criteria:

A) That the project will contribute to the self-help efforts of zone residents. (Self-help means the project can reasonably be expected to improve the ability of participating residents to live and/or work in the River Edge Redevelopment Zone.);

B) That the zone residents will actively participate in the project's planning and implementation;

C) That the project lacks sufficient resources; and

D) That the DZO will be fiscally responsible for the project.

f) Project Modifications. Project modifications, either programmatic or budgetary, require the prior approval of the Department.

g) DZO Project Administrative Responsibility. The DZO shall furnish the Department an annual status report on each project. The report must be submitted no later than 30 calendar days following the anniversary and shall consist of the following information:

1) A financial statement, in accordance with the most recent generally accepted accounting principles of the AICPA; and

2) A statement describing the project's success in achieving the objectives outlined in the approved application.