

GOOD JOBS FOR MICHIGAN PROGRAM PROCESS DOCUMENTATION

Effective 09/26/2017

BACKGROUND

The Michigan Strategic Fund (MSF) is able to authorize withholding tax capture revenues under the Good Jobs for Michigan program (the “program”) for businesses that provide certified new jobs in Michigan.

Companies that meet minimum thresholds may be considered for assistance under the program as outlined in the program guidelines. Specific terms will be determined by a formal review of considerations outlined in the program guidelines and legislation that align with the Michigan Economic Development Corporation’s (“MEDC”) goals of creating more jobs, better wages, and increase investment in Michigan.

Included below, is an overview of the program granting process from identification through performance of the agreement.

PROJECT IDENTIFICATION AND INITIAL REVIEW STAGE

1. Local partners, consultants, developers, or a company may contact the local economic development agency, or MEDC business staff to discuss project that is creating new jobs in Michigan
2. MEDC business staff or local economic development agency identify the qualification using the program guidelines
3. MEDC business staff conducts initial review of the company’s background to determine whether the company has financial capability to undertake the project
4. MEDC business staff outlines details of a possible award under the program, as necessary

PROJECT APPLICATION STAGE

1. MEDC business staff requests the company complete the program application package
2. The company completes and submits the application package to the MEDC
3. MEDC business staff reviews the submitted application package
4. MEDC staff conducts required civil and criminal background checks, consistent with the MSF background review policy

MSF BOARD PREPARATION AND APPROVAL STAGE

1. MEDC business staff drafts a term sheet outlining the proposed program term for the project to be recommended to the MSF for approval

2. MEDC business staff sends the term sheet to the company for acknowledgment
3. MEDC business staff prepares a briefing memo (description of company’s project, award terms, and a recommendation to the MSF for approval) and a proposed MSF resolution

MSF ACTION STAGE

1. MEDC business staff provides briefing memo and proposed MSF resolution to MSF board
2. MEDC business staff presents briefing memo and proposed MSF resolution to the MSF board for consideration and action at monthly meetings

PREPARATION AND EXECUTION OF AGREEMENT STAGE

1. MEDC legal staff prepares agreement
2. MEDC legal staff sends agreement to the company for signature
3. The company signs agreement and sends to MEDC legal staff for countersignature by MSF fund manager
4. MEDC legal staff sends executed copy of the agreement to the company and the Michigan Department of Treasury.
5. The Department of Treasury calculates the amount of withholding tax revenues to be transferred from the general fund to the Good Jobs for Michigan Fund each calendar year based on the executed agreements.

MEDC COMPLIANCE STAGE (REPORTING PERIOD)

1. The company submits annual job creation reports, annual progress reports, and any other requirements of the agreement
2. MEDC compliance staff monitors job creation reports, annual progress reports, and any other requirements of the agreement, as necessary
3. MEDC compliance staff provides the company and the Department of Treasury a withholdings certificate each calendar year, with the authorized business name and federal employer identification number and the amount of the withholding tax capture to be paid
4. The company files a copy of the withholdings certificate with the Department of Treasury to request payment.
5. The Department of Treasury issues payment within 90 days of the receipt of the withholdings certificate.
6. The Department of Treasury retains an amount equal to 5% of the withholding tax capture for payment to the MSF for administrative expenses.