NMTC Program

Allocation Tracking System
Instructions Manual
(February 2006)

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SECTION 1.0   INTRODUCTION

1.1   Overview of the Allocation Tracking System

The Allocation Tracking System (ATS) is designed to support four key purposes:

(1) Enhance the Allocatee's ability to report to the Fund timely information regarding the issuance of its QEIs, per Section 6.5 of its Allocation Agreement;

(2) Collect data to monitor the Allocatee's compliance with certain components of Section 3.2 (Authorized Uses of NMTC Allocation) of its Allocation Agreement;

(3) Enhance the Treasury Department's ability to monitor the issuance of QEIs to ensure that no Allocatee exceeds its allocation authority, and to ensure that QEIs are finalized within the timeframes required by the Allocation Agreement and the NMTC Program regulations; and

(4) Provide the Treasury Department with basic investor data, which may be aggregated and analyzed in connection with NMTC Program evaluation efforts.

To support these goals, ATS is divided into four major parts: (1) Allocation Transfers; (2) QEIs Finalized; (3) Reports; and (4) Downloading Data. Through the first two portals, you will enter data regarding transfers of allocations to subsidiary CDEs, QEIs finalized, and investors who provided the QEIs. Each area will also provide you with a summary of the data you have entered, as well as the ability to alter any data that has not yet been finalized and submitted to the Fund. The other two portals of ATS will allow you to print pre-formatted reports based on the data you submitted, and it will also provide you with the ability to download that data in comma delimited format (CSV), which can be used in most spreadsheet based software.

1.2   Logging onto and Navigating ATS

You will access ATS the same way that you accessed your organization-specific Allocation Agreement – through myCDFIFund. To access ATS:

1) Go to the Fund's website at www.cdfifund.gov. You may either click on "myCDFIFund" in the left menu bar, or use the registration prompts in the middle of the Fund's homepage. Enter your email and password and click "Continue".

2) To access to your organization's myCDFIFund account, click on "Access myCDFI organization".

3) Enter your organization's EIN as prompted.

4) Click "Allocations" from the left menu bar. This link will provide you access to various documents and systems that pertain to your allocation.

5) Click the "Details (ATS)" link on the right side of the screen to open ATS.

If you have forgotten your login details or experience any other difficulty logging into the myCDFIFund website, please follow the appropriate links from the myCDFIFund login page or send an e-mail detailing your problem to ithelpdesk@cdfi.treas.gov.

Through ATS, you will report on data for both the Allocatee and any subsidiary CDEs to which the Allocatee transfers its allocation award (i.e., sub-allocatees). The Allocatee is responsible for ensuring that all data regarding the issuance of QEIs by any sub-allocatees is properly entered in ATS and submitted to the Fund. ATS

will provide you with easy to use navigation buttons and links to guide you through the data entry process. In addition, you may use the links in the left menu bar to move between different parts of ATS.

1.3   Technical and Program Support

The Fund's Technical Support and Compliance Monitoring and Evaluation (CME) staff are available Monday-Friday, 9:00 am – 5:00 pm ET to assist you with any technical or programmatic questions you have regarding ATS.

(A) Technical Support:

> If you are having technical difficulty (e.g., you cannot save your data), you may send an email to ithelpdesk@cdfi.treas.gov. Please type, "NMTC: Allocation Tracking IT assistance needed" in the subject line of your email. A technical support staff person will generally reply to your question(s) within 24 hours on weekdays.   You may also phone the CDFI Fund Technical Help Line at (202) 622-2455. If a technical support staff person is not available to immediately assist you, please leave a message and a staff person will return your call within 24 hours on weekdays.

(B) Compliance Monitoring and Evaluation Support:

> If you are having difficulty understanding the data requirements in ATS, you may send an email to CME@cdfi.treas.gov. Please type, "NMTC: Allocation Tracking program assistance needed" in the subject line of your email. A CME staff person will generally reply to your question(s) within 24 hours on weekdays. You may also call the CME phone line at (202) 622-8226. If a CME staff person is not available to immediately assist you, please leave a message and a staff person will generally return your call within 24 hours on weekdays.

1.4   Tips for Using ATS

To maximize efficient usage of ATS, please keep the following tips in mind as you prepare to enter QEI and investor data:

(A) General System Tips:

> **ATS will provide you with error and incomplete messages to facilitate your use of the system, to help you enter data accurately, and to prohibit loss of data. These will be in the form of pop-up error/warning messages or red text messages directly in the body of the screen. Please be sure to read these messages carefully.**

- Read this step-by-step guide thoroughly and familiarize yourself with both the system and the required data elements (reference Section 6.0 for a summary of these requirements) before you start to use ATS to enter data.

- Notify the Fund immediately if you are having difficulty using ATS.

- As with the Fund's other electronic tools, ATS will provide you with "bells and whistles" to facilitate use of the system, to help you enter data accurately, and to prohibit loss of data. These will be in the form of pop-up error/warning messages or red text messages directly in the body of the screen. Please be sure to read these messages carefully.

- To move through ATS, be sure to use the navigation tools provided in ATS. If you use the "back" and "forward" arrows on your Internet browser, you may lose data.

- Certain functions may take a few minutes to process (e.g., generating the email notification for the Fund). Please wait for the system to finish processing, and do not click a button more than once.

- As with the Fund's other electronic systems, the system will automatically log you out if your account remains inactive for 20 minutes or more.

(B) Programmatic Tips:

- Enter QEI and investor data on the date (or within a few days of the date) on which the NMTC investor provides the cash to the Allocatee or its sub-allocatees. Both the Fund and IRS will use this data to conduct compliance analysis, thus it is in your best interest to enter the data as soon as possible.

- Try to finalize any "Pending QEIs" expeditiously. "Pending QEIs" will **not** be taken into account when the Fund administers a check for compliance with certain components of Section 3.2 of the Allocation Agreement, or in determining an applicant's eligibility to apply for allocations in current or future NMTC rounds.

- Once you finalize a QEI by clicking the "Finalize QEI and Notify Fund" button, you will not be able to alter any data for this QEI and related investors. Ensure the accuracy of all the data entered **<u>BEFORE</u>** you finalize a QEI and notify the Fund of such.

In the event that you should notice an error in the finalized QEI/investor data, you may submit a written request to the Fund to change your finalized QEI/investor data. You may send an email to CME@cdfi.treas.gov. with the subject line, "NMTC: Request to Update Finalized QEI Data". Requests may only be made by your Authorized Representative of the Allocatee for that particular Allocation award and should reference the following:

(1) The Allocatee's Name
(2) The Allocatee's EIN
(3) The Allocatee's Allocation Control Number
(4) The specific changes you need made

SECTION 2.0 ALLOCATION SUMMARY

When you click on "Summary" in the left menu bar, you will see a summary of the Allocatee's use of its allocation award. The totals on this page include any allocations the Allocatee used directly, as well as any allocations used by sub-allocatees. All the numbers on this page are automatically calculated using the data entered throughout ATS. Therefore, you will not be able to alter any of the data on this screen.

__Figure 1:__ Allocation Summary Screen Shot

SECTION 3.0   ALLOCATION TRANSFERS TO SUBSIDIARY CDES

When you click on "Allocation Transfers" in the left menu bar, you will access the section of ATS in which you will report on any allocations that the Allocatee may have transferred to eligible sub-allocatees listed in the Allocatee's Allocation Agreement or subsequently approved.

Figure 2: Allocation Transfers to Subsidiary CDEs Screen Shot

An Allocatee is permitted to transfer all or a portion of its allocation award to a subsidiary entity(s) that is: (1) certified as a CDE by the Fund; and (2) is listed in Section 3.2 of its Allocation Agreement. When transferring allocations to sub-allocatees, the Allocatee is not bound to a particular amount, and it may change the amount of allocations that it transfers to any particular sub-allocatee at anytime. ATS will track the amount of allocations the Allocatee has transferred to each sub-allocatee on a cumulative basis (e.g., if the Allocatee transfers to one sub-allocatee multiple times, ATS will only track the aggregate amount of allocations transferred to that sub-allocatee). Once a sub-allocatee uses its transferred allocations to issue QEIs that are pending or finalized in ATS, the Allocatee will not be able to re-allocate that particular portion of the allocation transfer to another sub-allocatee.

> *Example 1:* *The Allocatee received a $100,000 allocation award, and has 2 sub-allocatees listed in Section 3.2 of its Allocation Agreement. The Allocatee transfers $80,000 to sub-allocatee #1, which uses this transfer to issue $30,000 in QEIs, which are entered into and saved in ATS. The Allocatee transfers the remaining $20,000 of its allocation award to sub-allocatee #2. Sub-allocatee #2 identifies an opportunity to issue a QEI of $40,000. To ensure that sub-allocatee #2 has enough allocations to issue the full $40,000 QEI, the Allocatee may go into ATS, and reduce the amount transferred to sub-allocatee #1 to $60,000 and increase the amount transferred to sub-allocatee #2 to $40,000. ATS will* not *allow the Allocatee to reduce the amount transferred to sub-allocatee #1 below $30,000 since that amount of allocations was already used by sub-allocatee #1 to issue QEIs that were entered into and finalized in ATS.*

3.1   Adding, Editing and Deleting Allocation Transfer Data

(A) To enter a transfer of allocations for the first time, or to update transfer data already entered, follow these steps:

(1) Click "Add Transfer" to enter information about a new transfer. To update transfer data already entered, select a transfer from the summary chart on the "Allocation Transfers" screen and click the "Edit" button adjacent to the selected CDE name.

(2) If adding a transfer, please select subsidiary name from the drop down list. The subsidiary must be certified and included in the allocatee's allocation agreement. If the subsidiary is not visible on the drop down list there could one of two reasons. First, the subsidiary has not been added to the agreement. If this is the case, email or call CME at CME@cdfi.treas.gov or (202) 622-8226. Second, the subsidiary allocatee has already received a transfer of allocations. If this is the case, go to the "Allocation Transfers" screen and click the "Edit" button adjacent to the selected CDE name.

(3) Enter transfer amount.

(4) Click "Save" to complete the transfer and return to the "Allocation Transfers" screen. Click "Cancel" to terminate the transfer and return to the "Allocation Transfers" Screen.

(5) If editing an existing transfer, after clicking the "Edit" button, a summary of the transfer will be displayed.

(6) Enter new transfer amount.

(7) Click "Save" to complete the transfer and return to the "Allocation Transfers" screen. Click "Cancel" to terminate the transfer and return to the "Allocation Transfers" Screen

(B) To delete a transfer, follow these steps:

(1) Select a transfer from the summary chart on the "Allocation Transfers" screen.

(2) Click "Delete" button on right side of desired CDE name.

(3) Click "Yes" to delete transfer or "No" to return to "Allocation Transfers" screen.

(4) On the next screen, make sure the transfer information that appears on the screen is the transfer you want to delete.

Once a sub-allocatee uses its transferred allocations to issue QEIs that are either pending or finalized in ATS, the Allocatee will not be able to delete this allocation transfer or re-allocate that particular portion of the allocation transfer to another sub-allocatee. If you are attempting to delete an allocation transfer for a sub-allocatee that has only pending QEIs, you must first delete the pending QEIs via the "QEIs Finalized" screen (see Section 4.7).

When adding or editing a transfer, you will see and/or be required to supply the following data:

Figure 3: *Allocation Transfer Data Fields*

Data Field	Description
Subsidiary CDE Name	Select from a drop down box that includes all the subsidiary CDEs listed in Section 3.2 of the Allocatee's Allocation Agreement. If you do not see a particular subsidiary CDE listed in this drop down menu, this may mean that the subsidiary CDE is not listed in Section 3.2 of the Allocatee's Allocation Agreement or the Allocatee has already transferred allocations to the subsidiary. If this is the case go to "Allocation Transfers".
Amount Available for Transfer	ATS will automatically calculate this field based on information supplied in other portions of ATS. The formula for this field is: Allocation award amount MINUS any allocations transferred to other subsidiary CDEs MINUS finalized and pending QEIs finalized by the Allocatee MINUS finalized and pending QEIs finalized by the selected subsidiary CDE
QEIs Finalized (Issued) by this Subsidiary CDE	ATS will automatically calculate this field based on information supplied in other portions of ATS.
QEIs Pending for this Subsidiary CDE	ATS will automatically calculate this field based on information supplied in other portions of ATS.
Amount of Transfer	Enter the total amount of allocations the Allocatee wants to transfer to the selected subsidiary CDE. ATS will never allow this amount to exceed the Allocation Award amount or to be less than the sum of: (1) "QEIs Finalized (Issued) by this Subsidiary CDE" and (2) "QEIs Pending for this Subsidiary CDE"

SECTION 4.0   QEIS FINALIZED/ISSUED

In this section of ATS, you will report data to the Fund regarding: (a) QEIs that have been finalized/issued by the Allocatee or any sub-allocatees; and (b) the investors that provided these QEIs. You will also use this section of ATS to notify the Fund of receipt of any QEIs, as required by Section 6.5 of the Allocatee's Allocation Agreement.

The Fund strongly encourages you to enter QEI and investor data on the date (or within a few days of the date) on which the NMTC investor originally provides the QEI to the Allocatee or its sub-allocatee(s).

While Section 6.5 of the Allocation Agreement specifies that the Allocatee must provide notification to the Fund within 60 days of actually issuing the QEI, *the Fund strongly encourages you to enter QEI and investor data on the date (or within a few days of the date) on which the NMTC investor originally provides the QEI to the Allocatee or its sub-allocatee(s).* Both the Fund and IRS will use this data to conduct compliance analysis, thus it is in the Allocatee's best interest to enter the data as soon as possible.

4.1 Background Information on Investor Data

The Fund expects that Allocatees may have NMTC investors with a pass-through structure, such as a limited liability company (LLC) or limited partnership (LP). For compliance and evaluation purposes the Fund is collecting information about the entities and individuals that comprise such pass-through investors, and that ultimately claim NMTCs on tax returns. To facilitate this process, the Fund has defined various investor "tiers":

(1) *Tier 1 Investors* are those who directly provide the QEIs to the Allocatee or its sub-allocatees.

(2) *Tier 2 Investors* are the partners and/or members of a Tier 1 Investor with a pass-through structure.

(3) *NMTC Claimants* are those entities and individuals that will actually claim NMTCs on their tax returns.

Depending upon the structure of each investing entity, it is possible for a Tier 2 Investor to also be a NMTC Claimant. Additionally, it is possible for many other investor layers to exist between a Tier 2 Investor with a pass-through structure, and the eventual NMTC Claimants. While the Fund will not collect data about such additional investor layers, it is in the Allocatee's best interest to keep a record of these investor tiers in the event that either the Fund or IRS seeks such information in the future for compliance purposes.

From a flow perspective, ATS will prompt you to enter complete data for one investor at a time (e.g., the Tier 1 data; and if the Tier 1 Investor is a pass-through entity, Tier 2 data and any relevant NMTC Claimants data). Using the example in Figure 4 to further illustrate, Acme CDE would <u>not</u> be required to provide data on those investors highlighted in gray.

ATS will prohibit Allocatees from entering investor data on entities that have also received an allocation (or a transfer of an allocation) from the Fund per Section 3.3 of the Allocation Agreement (Restrictions on the Use of NMTC Allocation).

Figure 4: Sample Investor Tiers
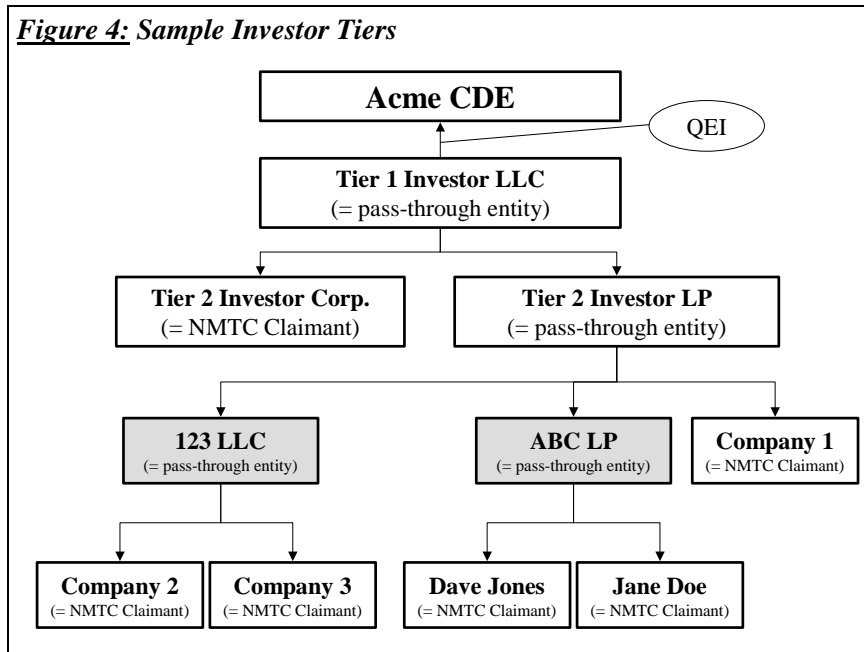
4.2 QEIs Pending Summary Screen

The "Pending QEIs" screen summarizes those QEIs for which: (1) you have not completed data entry; and/or (2) you have not finalized the QEI and submitted the requisite email notification to the Fund. Use the buttons in the "Pending QEIs" screen to add, edit or delete QEI and/or investor data.

4.3 QEIs Finalized/Issued Summary Screen

When you click on the "QEIs Finalized" link from the left menu bar, you will find a summary of all finalized QEIs at the top of the page with more specific details provided below. This screen summarizes all of the QEIs, that have been finalized and for which the requisite email notification has been submitted to the Fund. You will not be able to change any of the data on this screen, as it is automatically generated by the information already entered throughout ATS.

Figure 5: QEIs Finalized Screen Shot (top half of screen – "Pending QEIs" chart)

Figure 6: QEIs Finalized Screen Shot (bottom half of screen – "QEIs Finalized (Issued)" chart)

4.4 Entering QEI Data

To enter a QEI for the first time, click the "QEIs Pending" link on the left side of the screen & follow these steps:

(1) Click "Add QEI" under the "Pending QEIs" chart.

(2) On the next screen, click on the name of the CDE that finalized the QEI. If you do not see a particular sub-allocatee listed, this means that you have not transferred any allocations to that sub-allocatee that is still available for use. Return to "Allocation Transfers" using the left menu bar to adjust the allocation transfer amounts (see Section 3.0).

(3) On the next screen, enter "QEI Details" data into each field as prompted. Some fields are automatically populated by the system. See Figure 8 for a detailed explanation of the required "QEI Details" data.

(4) Click "Save and Continue" to save the "QEI Details" data entered. Upon clicking "Save and Continue", a chart will appear at the bottom of the screen titled, "List of Tier 1 Investors Contributing to QEI" (see Section 4.5 for more information about entering investor data).

(5) At any time, click "Cancel/Go Back" to terminate the entry and return to the "Pending QEIs" screen.

As soon as you click "Save and Continue" in step #4 above, you will create a QEI record in ATS. Therefore, if for some reason you are unable to enter all the required investor data at one time for a particular QEI, you can

always re-access this "Pending QEI" at a later date using the "Edit" button under the "Pending QEIs" chart on the "QEIs Pending" screen (see Section 4.7 for more information on updating a QEI).

Figure 7: Add QEI Screen Shot (after all steps above have been completed)

For each QEI, you will see and/or be required to supply the following data:

Figure 8: *QEI Details Data Fields*

Data Field	Description
CDE that Finalized QEI	ATS will pre-populate this field with the name of the CDE you selected in step #2 above.

Allocations Available for Use	ATS will automatically calculate this field based on information supplied in other portions of ATS.
	
	For the Allocatee, the formula for this field is:
	
	   Allocation award amount
	   MINUS allocations transferred to all sub-allocatees
	   MINUS finalized QEIs finalized by the Allocatee
	   MINUS pending QEIs finalized by the Allocatee
	
	For sub-allocatees, the formula for this field is:
	
	   Amount of allocations transferred to the selected sub-allocatee
	   MINUS finalized QEIs finalized by the selected sub-allocatee
	   MINUS pending QEIs finalized by the selected sub-allocatee

Amount of QEI ($)	Enter the amount of the QEI at original issue (i.e., do not report on the current market value of the QEI). If the Allocatee or sub-allocatee is consolidating QEIs received by multiple Tier 1 Investors on the same day, enter the total amount of QEIs finalized by **ALL** such Tier 1 Investors.
Date of Original QEI (mm/dd/yyyy)	Enter the date on which the investor actually provided the Allocatee or sub-allocatee with the cash (e.g., do not provide the date the investor provided the commitment). For compliance purposes, this date will serve as the credit allowance date, which marks the start of: (1) the seven-year period during which the QEI must stay with the CDE; and (2) the 12-month period that the CDE has to make QLICIs with its QEI proceeds. If the Allocatee or sub-allocatee is taking advantage of the look back period, ATS will not allow you to enter a date before the assigned look back date for the each Allocation round, and per IRC 1.45D-1T(b)(2)(i), the credit allowance date for such QEIs will be the date of the Allocation Agreement.
How many Tier 1 Investors contributed to this QEI?	If the Allocatee or sub-allocatee is consolidating QEIs received by multiple Tier 1 Investors on the same day, enter the number of Tier 1 Investors being consolidated. You will be required to enter investor information about each of these Tier 1 Investors separately.

Example 2: The Allocatee received the following QEIs on May 1, 2003: (1) ABC Company for $50,000; (2) XYZ Partnership for $1.5 million; and (3) Jane Doe for $250,000. The Allocatee decides to consolidate these three QEIs into one QEI for tracking purposes. The "Amount of QEI" would be $1.8 million. The "Date of Original QEI" would be 05/01/2003. The number of Tier 1 Investors contributing to this QEI would be three, and ATS will require you to enter three separate sets of Tier 1 investor data.

4.5 Entering Investor Data

ATS will prompt you to enter complete data for one Tier 1 Investor at a time (e.g., the Tier 1 data, and if the Tier 1 Investor is a pass-through entity, Tier 2 data and any relevant NMTC Claimants data).

Once you have successfully entered and saved "QEI Details" data for a particular QEI on the "Add QEI" or "Edit" links, a chart will appear at the bottom of the page titled, "List of Tier 1 Investors Contributing to QEI". Follow the steps below to enter data for each Tier 1 Investor. If you are consolidating QEIs received by multiple

Tier 1 Investors on the same day (e.g., you entered a number greater than one in the field "How many Tier 1 Investors contributed to this QEI?" when entering "QEI Details" data), you will be required to enter a complete data set for each Tier 1 Investor separately.

Figure 9: *Add Tier 1 Investor Screen Shot*

Following the steps below to enter Tier 1 Investor data for each QEI:

(1) To enter Tier 1 Investor data:

    (a) On the "Update QEI" screen, click "**Add Investor**" under the chart titled, "List of Tier 1 Investors Contributing to QEI".

    (b) Enter Tier 1 Investor data as prompted. See Figure 12 in Section 4.6 for a detailed explanation of the required Tier 1 Investor data.

    (c) Click "Save and Continue". If you indicated that the Tier 1 Investor is not a pass-through entity, click "Cancel/Go Back" to return to the "Update QEI" screen. If you indicated that the Tier 1 Investor is a pass-through entity, go to step #2 below.

    (d) If you have entered all of the necessary Tier 1 Investor data, the specific Tier 1 Investor's "Status" column will say "Complete". If the "Status" is "Incomplete", data is missing, and the QEI cannot be submitted to the Fund in its current format (see Section 4.6 for information on updating a pending QEI).

    (e) To add additional Tier 1 Investors, repeat steps #1a-1d above.

(f) If at any time during the investor data entry process, you alter the "QEI Details" data on the "Add QEI" or "Edit" screen, you will need to click "Save and Continue" to ensure this updated information is properly stored.

(g) If you are finished entering Tier 1 Investors, click "Cancel/Go Back" on the "Update QEI" screen to return to the "QEIs Finalized" screen to finalize that QEI (see Section 4.8 for more information about finalizing a QEI).

(2) If you indicated that a Tier 1 Investor is a pass-through entity:

(a) You will be required to answer three additional questions about the Tier 1 investor. See Figure 13 in Section 4.6 below for a detailed explanation of these three questions.

(b) Click "Save and Continue" upon answering these three questions, and a chart will appear at the bottom of the page titled "List of Tier 2 Investors" (see Figure 10 below).

(c) Click the "Add Investor" button under this chart to add a Tier 2 Investor.

(d) Enter Tier 2 Investor data as prompted. See Figure 14 in Section 4.6 for a detailed explanation of the required data.

(e) Click "Save and Continue". If you indicated that the Tier 2 Investor is not a pass-through entity, you will be returned to the "Add Tier 1 Investor" or "Edit Tier 1 Investor" screen. If you indicated that the Tier 2 Investor is a pass-through entity, go to step #3 below.

(f) To add additional Tier 2 Investors, repeat steps #3c-3e above.

(g) If at any time during the investor data entry process, you alter the Tier 1 Investor data on the "Add Investor" or "Edit" screen, you will need to click "Save and Continue" to ensure this updated information is properly stored.

(h) If you have entered all of the necessary Tier 2 Investor data, the specific Tier 2 Investor's "Status" column will say "Complete" in the "List of Tier 2 Investors" at the bottom of the "Edit Tier 1 Investor" screen. If the "Status" is "Incomplete", data is missing, and the QEI cannot be submitted to the Fund in its current format (see Section 4.7 for information on updating a pending QEI).

Figure 10: *Add Tier 1 Investor Screen Shot (with Tier 2 Investor chart appearing at bottom of screen)*

If you indicated that a Tier 2 Investor is a pass-through entity:

(i) When you click "Save and Continue" from the "Edit Tier 2 Investor" screen, a chart will appear at the bottom of the page titled, "List of NMTC Claimants" (see Figure 11 below).

(j) Click the "Add Investor" button under this chart to add a NMTC Claimant.

(k) Enter NMTC Claimant data as prompted. See Figure 14 in Section 4.6 for a detailed explanation of the required data.

(l) Click "Save and Continue" to save data. Message should appear at top of page indicating the investor information was successfully saved.

(m) To add additional NMTC Claimants, repeat steps #4b-4d above.

(n) If you are done entering NMTC Claimants, click "Cancel/Go Back" on the "NMTC Claimant" screen to return to the "Edit Tier 2 Investor" screen.

(o) Continue clicking "Cancel/Go Back" on each new screen to return the "Pending QEIs" screen.

(3) Once you have entered all required QEI/investor data, you will get a message on the "QEIs Pending" screen informing you that the QEI is complete in all aspects. Click "Cancel/Go Back" to return to the "QEIs Finalized" screen, and finalize that QEI (see Section 4.8 for more information about finalizing a QEI). Otherwise, ATS will provide you with other error messages to tell you why the QEI is incomplete.

Figure 11: *Add Tier 2 Investor Screen Shot (with NMTC Claimants chart appearing at bottom of screen)*

If at any time during this data entry process you are not prepared to enter all required investor data at one time, click "Save and Exit QEI" to save the investor data you have already entered and return to the "QEIs Finalized" screen. All QEI and investor data you have entered will be saved and re-accessible via the "Pending QEIs" chart on the "QEIs Pending" link (see Section 4.7 for more information about updating a QEI).

4.6 Overview of Required Investor Data

For each Tier 1 Investor, you will see and be required to supply the following data. If you are consolidating QEIs received by multiple Tier 1 Investors on the same day, you will be required to provide this set of data for each Tier 1 investor separately.

Figure 12: Tier 1 Investor Data Fields

Data Field	Description
Name of Tier 1 Investor	Enter name of Tier 1 Investor
Investor Type	Select from a drop down box that includes (1) Individual investor; (2) Foundation or other philanthropic organization; (3) Pension fund; (4) Bank or other regulated financial institution; (5) Real estate developer or investment company; (6) Venture fund; (7) Investment bank; (8) Insurance company; (9) Utility company; (10) Other type of corporate investor; and (11) Other type of investor.
Is this a new investor?	Select YES or NO. If the Allocatee or any of its affiliates has received any funds (whether debt, equity, grant, etc.) from this investor in the last five years, you should select NO.
Is this an affiliated entity?	Select YES or NO. An "affiliate" is any legal entity that controls, is controlled by, or is under common control with, the Allocatee.
Investment Amount ($)	Enter amount of this Tier 1 Investor's QEI. If there is only one Tier 1 Investor contributing to a QEI, then the "Investment Amount" should equal the "QEI Amount" at the top of the page.
Form of QEI	Select from a drop down box that includes Stock or Capital Interest.
TIN	Enter the Tier 1 Investor's nine-digit taxpayer identification number. Do not use hyphens.
Anticipated Rate of Return	Enter the rate of return that you expect this Tier 1 Investor to receive. The rate of return can include the benefit of the NMTC.
Address Line 1 and 2 City, State, and Zip	Enter the full street address of the Tier 1 Investor. A nine-digit zip code is required, but if you have the investor's street address, there is a link in ATS that will help you find the full, nine-digit zip code.
Phone and Email	Enter the contact information for the Tier 1 Investor
Is this investor a pass-through entity (e.g., LLC or LP)?	Select YES or NO.

Example 3: Using Example 2 in Section 4.4 to illustrate, you would be required to enter the above set of data three separate times. If you were entering data for XYZ Partnership in particular, the "Investment Amount" would be $1.5 million, and the answer to, "Is this investor a pass-through entity (e.g., LLC or LP)?" would be YES.

If you indicated that a Tier 1 Investor is a pass-through, you will be required to answer the following three additional questions about that Tier 1 pass-through investor:

Figure 13: Tier 1 Pass-Through Investor Data Fields

Data Field	Description
How many Tier 2 Investors comprise this pass-through entity?	Enter the number of partners or members of the pass-through Tier 1 Investor. ATS will require you to enter Tier 2 Investor information for this exact number of investors (see Figure 14 for Tier 2 Investor data fields).
Amount of equity capital contributing to QEI ($) *	Enter the amount of actual equity the investor (or its partners or members) put into the QEI.
Amount of debt capital contributing to QEI ($) *	If your investor's QEI is using a "leveraged" structure (see IRS Revenue Ruling 2003-20 available on the Fund's website at www.cdfifund.gov), enter the amount of funds the pass-through investor entity borrowed in order to provide this QEI. You should include debt even if it came from a non-partner or non-member entity. If your investor is not using a "leveraged" structure, enter zero in this field.

*   The sum of the amounts of debt and equity capital contributing to this QEI should equal the total "Investment Amount" provided by the selected Tier 1 Investor.

Example 4: Building upon Example 2 in Section 4.4, XYZ Partnership (a Tier 1 Investor that contributed $1.5 million to a $1.8 million QEI) has two corporate partners. To fund its $1.5 million QEI, XYZ Partnership borrowed $900,000 from a bank that is not a partner, and together the two corporate partners provided the remaining $600,000 in equity. Your answer to the question regarding the number of Tier 2 Investors would be two; your answer to the amount of debt capital would be $900,000; and your answer to the amount of equity capital would be $600,000.

If you indicate that a Tier 1 Investor and/or a Tier 2 Investor is a pass-through entity, you will be required to provide the following data for all Tier 2 Investors and NMTC Claimants:

Figure 14: Tier 2 Investor and NMTC Claimant Data Fields

Data Field	Description
Name of the Tier 2 Investor	Enter name of Tier 2 Investor or NMTC Claimant
Investor Type	Select from a drop down box that includes: (1) Individual investor; (2) Foundation or other philanthropic organization; (3) Pension fund; (4) Bank or other regulated financial institution; (5) Real estate developer or investment company; (6) Venture fund; (7) Investment bank; (8) Insurance company; (9) Utility company; (10) Other type of corporate investor; and (11) Other type of investor
TIN	Enter the Tier 2 Investor or NMTC Claimant's nine-digit taxpayer identification number. Do not use hyphens.
Is this investor a pass-through entity?	You will only need to answer this question for Tier 2 Investors. Select YES or NO. If you indicate YES for any Tier 2 Investors, you will be required to report data on NMTC Claimants.

4.7 Updating or Deleting a Pending QEI

While the Fund encourages you to enter your QEIs as expeditiously as possible, the Fund understands that certain events may preclude you from entering all the required QEI and investor data in one session. To this end, ATS allows to you enter and save QEI and investor data before submitting final notification to the Fund. If at any time during the investor data entry process you click the "Save and Continue" button, all QEI and investor data you have entered will be saved and re-accessible via the "Pending QEIs" Chart under the "QEIs Pending" link.

To update any "Pending QEIs" listed on this chart follow these steps:

> **For pending QEIs, although these allocations will be marked as used in ATS, the actual dollar amount of the pending QEIs will not be taken into account when the Fund administers a check for compliance for certain components of Section 3.2 of the Allocatee's Allocation Agreement, or in determining an applicant's eligibility to apply for allocations in future NMTC rounds.**

(1) Click "Edit" on the CDE that finalized the QEI that you would like to update/change. You will be taken to the very first data screen ("Update QEI" screen).

    (a) This will give you an opportunity to revise any QEI or investor data you have already saved. However, the CDE that finalized the QEI will remain the same. If you want to change the CDE that finalized the QEI, you will have to delete the existing QEI and add a new one.

    (b) If you update any of the "QEI Details" data, be sure to click "Save and Continue" on the "Update QEI" screen before moving on.

(2) In the chart, "List of Tier 1 Investors Contributing to QEI", select the Tier 1 investor you wish to update, and click "Edit". Please see Section 4.6 for an overview of the required investor data points.

If you would simply like to view and review data entered for any "Pending QEIs", from the "QEIs Finalized" screen, click the "QEI Details" column next to the appropriate pending QEI.

Until you click the "Finalize QEI and Notify Fund" button for a pending QEI, this QEI will remain in the "Pending QEIs" chart. Although these allocations will be marked as used in ATS, *the actual dollar amount of the pending QEIs will not be taken into account when the Fund administers a check for compliance with relevant components of Section 3.2 (Authorized Uses of NMTC Allocation) of the Allocation Agreement, or in determining an applicant's eligibility to apply for allocations in future NMTC rounds.*

4.8 Finalizing a QEI and Sending Email Notification to the Fund

In the "Pending QEIs" chart on the "QEIs Pending" screen:

- If the "Status" column says "Incomplete", this QEI is missing data, and cannot be submitted to the Fund in its current form. To see what data is missing, select the CDE that finalized the QEI and click the "Edit" button next to the CDE name.

> **Finalized QEIs cannot be altered. Therefore, ensure the accuracy of all the data you entered <u>BEFORE</u> you click the "Finalize QEI and Notify Fund" button. After you click this button, ATS will ask you to verify the QEI once more before the actual email notice is sent.**

- If the "Status" column says "Complete", the QEI has all the required data to be finalized and submitted to the Fund.

If there are "Complete" QEIs listed in your "Pending QEIs" chart, a "Finalize" button will appear under the "Pending QEIs" chart. Clicking this button will send an email to the Fund and your Authorized

Representative, acknowledging your issuance of a QEI (see Figure 15 for the content of this email). Additionally,

the QEI will be removed from the "Pending QEIs" chart and added to the "QEIs Finalized" chart at the bottom of the "QEIs Finalized" screen.

Once you finalize a QEI and notify the Fund of such by clicking the "Finalize" button, you will not be able to alter any data for this QEI and related investors, as this email notification is final, and will be added to your official records at the Fund. After you click this button, ATS will ask you to verify the QEI once more before the actual email notice is sent, but *you should ensure the accuracy of all the data you entered <u>BEFORE</u> you click the "Finalize" button.*

The finalizing process may take a few minutes. Please wait for ATS to complete its process, and do not click the "Finalize QEI and Notify Fund" button multiple times. When ATS is done finalizing a QEI, you will get a pop-up message that says, "You have successfully notified the Fund of a QEI. To view the email notice, click on "View" next to that QEI in the chart titled "QEIs Finalized (Issued)".

You will notice that each finalized QEI has a system-assigned "QEI Identifier". This number will be referenced by the Fund in your reporting of Institution and Transaction level data in CIIS and other processes. The form of the "QEI Identifier" is "03QEI000000". The first 2 digits represent the year of the allocation award, and the last 6 digits are assigned automatically by the system. Please note that the Fund will prohibit any QEIs from being finalized in ATS after the five-year period has passed (from the date of the Allocation Agreement).

4.9   Viewing Text of QEI Email Notification to the Fund

Subsequent to finalizing a QEI and submitting the requisite email notice to the Fund, you can view this notice by clicking on the "View" link next to a specific QEI in the chart titled, "QEIs Finalized (Issued)" on the "QEIs Finalized" screen. The following is the text of the email notification. Fields highlighted in gray, brackets and italics are automatically populated by ATS.

Figure 15: *QEI Email Notification Sent to the Fund and the Allocatee's Authorized Representative*

[Current Date] [Current Time]

[Name of Allocatee's Authorized Representative]
[Name of Allocatee]
[Street Address]
[City], [State] [Zip]
Email: *[Email of Allocatee's Authorized Representative]*

Dear *[Name of Allocatee's Authorized Representative]:*

Re: Acknowledgement of New Markets Tax Credit (NMTC) Qualified Equity Investment

This system-generated email serves as an acknowledgement of the following Qualified Equity Investment (QEI) made in a qualified Community Development Entity (CDE), as certified by the Community Development Financial Institutions Fund (the Fund):

Allocation Award Control No.: *[Allocation Award Control Number]*
Name of Allocatee: *[Name of Allocatee]*
Name of CDE that Finalized QEI: *[Name of issuing CDE] [CDE Control No. of Issuing CDE] [Subsidiary/Allocatee]*
QEI Identifier: *[QEI Identifier]*
Total Amount of QEI: *[Amount of QEI]*
Date of Original QEI: *[Date of Original QEI]*

Tier 1 Investor(s):
[Tier 1 Investor Name] [Street Address Line 1], [Street Address Line 2], [City] [State] [Zip] (Ph: [Phone])
[Tier 1 Investor Name] [Street Address Line 1], [Street Address Line 2], [City] [State] [Zip] (Ph: [Phone])

The CDE holding this notification is entitled to notify the above investors of their right to claim NMTCs in proportion to the amount invested by such investors (at the time of original investment) in the aforementioned CDE.
Any investments made under the NMTC Program are subject to the regulations stipulated by IRC §45D.

4.10 Viewing and Printing QEI and Investor Data for Finalized QEIs

Once you click the "Finalize" button, you can still view all the QEI and investor data you entered by clicking the "QEI Details" link for a particular QEI in the "QEIs Finalized" screen. The Fund has also provided you with various reports that you can run based on the data you submitted (see Section 5.0 for details on ATS's reporting functionality).

For best printing results using the "QEI Details" link, you should change your print and page settings using the following steps:

field "Date Fund Notified of QEI" in the "QEI Details" link is a few seconds after the date/time

(1) Click on "File" in your Internet browser.

(2) Select "Page Setup". For both Explorer and Netscape users, change your margin settings to 0.25 for all four margins (left, right, top, and bottom).

(3) Select "Print". For Explorer users, click on the "Basics" tab. For Netscape users, click "Properties". Under "Orientation" select "Landscape".

(4) For Explorer users, click "Print" to print. For Netscape users, click "OK" twice to print.

4.11 Amending Finalized QEI Data

As mentioned in Section 4.8, once you finalize a QEI and notify the Fund of such, you will not be able to alter any data for this QEI and related investors, as this email notification is final, and will be added to your official records at the Fund. ***Therefore, the Fund strongly encourages you to ensure the accuracy of all the data you entered <u>BEFORE</u> you finalize a QEI.***

However, in the event that you should notice a mistake in finalized QEI/investor data, you may submit a written request to the Fund to change your finalized QEI/investor data. You may send an email to CME@cdfi.treas.gov, with the subject line, "NMTC: Request to Update Finalized QEI Data". Requests may only be made by your Authorized Representative and should reference the following:

1. The Allocatee's Name
2. The Allocatee's EIN
3. The Allocatee's Award Control Number
4. The specific changes you need made

The Fund will review each request with approval of said request contingent on the following:

- Approval does not conflict with any terms or conditions of the Allocation Agreement
- Approval does not conflict with any component of IRC 45D.

Any approved changes will be made directly into ATS by Fund staff and communicated to the Authorized Representative of the Allocatee upon completion via an email notification.

SECTION 5.0   REPORTS AND DOWNLOADING DATA

ATS provides you with various pre-formatted reports that capture the data you entered in ATS. You may view and print pre-formatted, read-only PDF reports based on the data you submitted. Alternatively, you may download the data in comma-delimited format (CSV). This will allow you to: (1) save the data to your home computer in a format that is compatible with most spreadsheet-based software; and (2) run your own customized reports at home. All reports only contain data about finalized QEIs. If you wish to view data for pending QEIs, please see Section 4.6.

5.1 Printing PDF Reports

If you click on "Reports" in the left menu bar, you will be provided direct links to PDF versions of three reports:

> (1) Summary Use of Allocation Award;
> (2) Allocation Transfers to Subsidiary CDEs; and
> (3) QEIs Finalized (Issued) and NMTC Investors.

To access and view these reports, you will need Adobe Acrobat Reader Version 5 or later. If you do not have such, please visit http://www.adobe.com/products/acrobat/readstep2.html, or click on the "Adobe Acrobat Reader" link on the "Reports" screen to download the necessary software.

These reports are pre-formatted, and you will not be able to change or customize them in any way. To access data that you can format to your own specifications, click on "Download Data" from the left menu bar (see Section 5.2).

5.2 Downloading CSV Data

If you click on "Download Data" in the left menu bar, you will be provided direct links to the following two sets of data: (1) Allocation Transfers; and (2) QEIs Finalized (Issued) and NMTC Investors.

To save this data to your desktop, follow these steps:

> (1) Click on "Download" next to the specific data set you want.
>
> (2) A separate window box will pop-up with a spreadsheet version of the data set you selected.
>
> (3) In your Internet browser, click "File".
>
> (4) Select "Save As".
>
> (5) Choose the drive you want to save the file in.
>
> (6) Open this file in Excel to format the data to your own specifications.

SECTION 6.0   SUMMARY OF DATA REQUIREMENTS

This section provides you with a list of all the data points you will need to enter and submit to the Fund using ATS. For more detailed information about each, please refer to the relevant sections of this guide.

6.1   Allocation Transfer to a Subsidiary CDE

(See Section 3.1)

(1) Name of the subsidiary CDE to which you are transferring allocations
(2) The total amount of allocations transferred to the subsidiary CDE

6.2   QEI

(See Section 4.4)

(1) Name of the CDE that finalized the QEI
(2) Amount of the QEI at original issue
(3) Date of original QEI
(4) Number of Tier 1 Investors contributing to QEI

6.3   Tier 1 Investor

(See Sections 4.1, 4.5, and 4.6)

(1) Name of investor
(2) Type of investor
(3) Indication if this is a new investor
(4) Indication if this is an affiliated investor
(5) Investment amount
(5) Form of the QEI
(6) TIN
(7) Anticipated rate of return
(8) Full address – including street address, city, state, and nine-digit zip code
(9) Phone number
(10) Email address
(11) Indication if this is a pass-through entity
(12) If the Tier 1 Investor is a pass-through entity, you will also need to supply the following data:
      (a) Number of Tier 2 Investors that comprise the pass-through Tier 1 Investor
      (b) Amount of equity capital that contributed to the pass-through Tier 1 Investor's QEI
      (c) Amount of debt capital that contributed to the pass-through Tier 1 Investor's QEI

6.4   Tier 2 Investor and NMTC Claimant

(See Sections 4.5 and 4.6)

(1) Name of investor
(2) Type of Investor
(3) TIN
(4) For Tier 2 investors only, indication if this is a pass-through entity