

YOUTH OPPORTUNITIES PROGRAM

2008 Guidelines and Application

**Business and Community Services
Missouri Department of Economic Development**



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NOTICE

The Tax Credit Accountability Act of 2004 (Senate Bill 1099, Sections 135.800 through 135.830, RSMo) makes several changes to the tax credit programs.

Changes in Processing of Tax Credits (Section 135.815, RSMo)

Prior to the Missouri Department of Economic Development (DED) authorization of a tax credit, the DED will contact the Departments of Revenue and Insurance and verify that the taxpayer does not owe any delinquent income, sales, use, or insurance taxes, or interest or penalties on such taxes. If a delinquency exists, the amount of tax credits issued will be reduced by the amount of the delinquency. After satisfying all delinquencies, the remaining credits shall be issued.

Closed Records (Sections 610.255 and 620.014, RSMo)

Prior to August 28, 2004 and pursuant to Section 620.014, RSMo, DED had the authority to close certain records except for the name of the tax credit recipient and the amount of the tax credit. SB 1099 removes this broad exception but DED retains the authority to close records or documents that “relate to financial investments in a business, or sales projections or other business plan information which may endanger the competitiveness of a business” or as also allowed by law.

YOUTH OPPORTUNITIES APPLICATION BOOKLET

INTRODUCTION

This application booklet is designed to provide you with the information needed to understand the Youth Opportunities Program (YOP), to determine if your project is eligible, and to assist you in filling out the application. YOP is looking for well thought out and organized proposals: proposals that can specify in detail what the expected accomplishments will be (outcomes), how many youth will be targeted to achieve those outcomes (performance targets), and how these accomplishments will be verified. YOP proposals should also include an explanation of your organization's capacity for successfully achieving programming goals and your organization's fundraising capacity.

There is no deadline for submitting the application. This will allow you to complete your planning process and submit your proposal on your timeline. However, with a limited number of tax credits to award, tax credits may run out before the end of the calendar year. Applications will be reviewed on a first received, first reviewed basis.

Please thoroughly read all materials provided. This will help you to complete the application correctly.

GENERAL OVERVIEW

The Purpose of YOP

To broaden and strengthen opportunities for positive development and participation in community life for youth (21 years old and under), and to discourage such persons from engaging in criminal and violent behavior.

What is the YOP Tax Credit Program?

The YOP Tax Credit Program offers tax credits, which are used to offset the eligible contributor's income tax liability, for eligible contributions made to approved YOP projects to serve youth.

How YOP Works

All YOP administering entities and their projects must be approved by the Department of Economic Development through an application process. The program has up to \$6 million in tax credits to award each calendar year. The maximum for any one project is \$250,000 in tax credits. Approved administering entities must assume full responsibility for securing the needed financial support, through their own fundraising efforts. The tax credit is used as an incentive for contributors to participate. Upon receipt of contribution, the approved entity provides the contributor with the Tax Credit Application Form, which is to be completed by the entity and the contributor, and then returned to the Department of Economic Development. The contributor is eligible for a 30% or a 50% credit of the value of the contribution, depending on the type of contribution. It is the role of the Department of Economic Development to process tax credits for eligible contributors who contribute to approved projects.

ELIGIBLE APPLICANTS

- Non-profit Organizations and Corporations

NOTE:

- If an organization is incorporated on a statewide, regional or national level, or established through congressional charter, its local affiliates, chapters, divisions, or branches are each permitted to submit an application provided:
 - A locally controlled board of directors is empowered and assumes all administrative and financial responsibility for the local not-for-profit chapter, division or branch. Only organizations with locally based and controlled boards of directors will be allowed to apply. Local boards that serve in only an advisory capacity to the parent organization are not qualified to apply. DED retains the right to make a final determination of what constitutes a locally controlled board of directors with appropriate powers and responsibilities.

And

- All YOP donations will be deposited locally and the use of the YOP donations is controlled solely by the local board of directors for the organization.

And

- The parent organization has no authority over the use of the YOP donations except to the extent that the parent organization defines the general organizational purpose(s) of the locally controlled organization.

- Local Government
- Missouri Businesses
- Schools may qualify for YOP provided these conditions are met:
 1. The project addresses a specific identified need in the community that qualifies under one of the eligible YOP categories.
 2. The project is an extracurricular activity outside of normal or regular (core) school curriculum.
 3. Costs outlined in the YOP project budget do not reflect those costs associated with normal or regular school curriculum.
- Faith-based organizations may qualify for YOP provided these four conditions are met:
 1. The project addresses a specific identified need in the community that qualifies under one of the eligible YOP categories.
 2. One church or one person does not have the authority to appoint more than half the Board of Directors.
 3. Services are rendered to clients without discrimination.
 4. Clients are not required to participate in religious services, education or activities.

ELIGIBLE PROJECT CATEGORIES

A wide variety of activities and projects qualify for support through the Youth Opportunities Program. All YOP projects must address youth-related problems or areas and serve at-risk youth. Eligible YOP projects include:

1. Adopt-A-School Project

This is an agreement between a school and local businesses to provide support and/or funding for the school for needed equipment, programs, or activities that take place outside of normal or regular school curriculum.

2. Degree Completion Project

Any project designed to encourage school dropouts to reenter and complete high school, or projects that offer youth the opportunity to earn their graduate equivalency degree (GED).

3. Internship/Apprenticeship Project

Business or trades projects designed to offer youth under the age of twenty opportunities to learn a specific skill or trade while earning money.

4. Youth Club or Association

Any club or association specifically for youth with projects designed to teach youth positive social skills, teamwork, conflict resolution, communication skills, etc.

5. Mentor and Role Model Project

Projects that offer youth an opportunity for a one-on-one relationship with an adult who will be a positive friend from whom the youth can learn.

6. Substance Abuse Prevention Project

Projects which promote alcohol and drug awareness in the youth population, emphasize negative effects, and encourage and support youth in abstaining from the use of controlled substances while teaching them positive coping skills.

7. Violence Prevention

Any project aimed at the youth population that teaches and promotes violence prevention, including schools that primarily educate children who have been expelled from other schools.

8. Youth Activity Center

Activity centers which provide a positive, healthy atmosphere for youth to interact, and which promote positive social and recreational activities.

9. Conflict Resolution

Any project that teaches youth nonviolent means of resolving conflicts, cooperating, and mediating and promotes ways to solve problems peacefully.

10. Employment Project

Any project designed to offer job opportunities to at-risk youth, including projects that mainly, but not exclusively, target youth living in poverty and/or in areas with a high incidence of crime.

11. Counseling Project

Projects that offer individual, group, and/or family counseling to youth by licensed counselors on issues of abuse, neglect, self-esteem, drugs and alcohol, etc.

- Applicants are permitted to administer only one YOP project at a time.
- Organizations that are currently administering a project with another DED program may apply for the YOP tax credit, provided it is a different project. No proposal will be approved if it is determined that the project is or will be receiving duplicate funding from another DED program.

YOUTH OPPORTUNITIES PROGRAM OUTCOMES

While there are many types of projects that generally qualify for the Youth Opportunities Program, the Department of Economic Development actively seeks proposals that will address specified YOP program outcomes. Measurement of performance targets in the achievement of these outcomes and their impact on the targeted youth will be an integral part of the review of the application and scoring process. While priority will be given to applications that address the following program outcomes, applications addressing other outcomes will also be considered:

1. Increase the number of at-risk youth that receive a high school diploma.
2. Increase the number of at-risk youth that receive a GED.
3. Increase the number of at-risk youth that remain in school and earn course credit(s) toward their diploma.
4. Reduce the number of at-risk youth committing crimes and violent acts.
5. Decrease the number of at-risk female teens that become pregnant.
6. Increase the number of youth that complete alcohol and drug awareness programs and abstain from alcohol and drug use.
7. Increase the number of at-risk youth that complete employment skills education and development programs.

PRIORITY AREAS

- Priority will be given to projects that are constructing or renovating facilities.
- Priority will be given to projects that are creating or retaining jobs by utilizing the tax credits.
- Priority will be given to local, neighborhood and community-based projects.
- Priority will be given to areas that have higher incidence of crime, violence and poverty.
- Priority will be given to projects that directly impact YOP outcomes.

INELIGIBLE PROJECT ACTIVITIES

YOP tax credits will not be allowed on contributions for the following purposes:

- Public improvements (streets, sewers, curbs)
- Feasibility studies
- Primary health care programs/facilities
- Direct grants to private businesses
- Fund-raising promotions and events
- Debt retirement
- Research and development projects
- Monuments or memorials
- Long-term residential care costs associated with room and board
- Endowment funds
- Purchasing charters

ELIGIBLE CONTRIBUTORS

Taxpayer	RSMo Chapter	Tax Liability Type
Banks & Other Financial Institutions	148	Financial Institutions Tax
Corporations	143 and 147	Income, Corporate and Franchise Tax
Express Companies	153	Gross Receipts Tax
Individual	143	Income Tax
Insurance Companies	148	Gross Premium Receipts Tax
Limited Liability Company	143 and 147	Individual Members' Income Tax, Franchise Tax, and Fiduciary Tax
Partnerships	143	Individual Partners' Income Tax
S-Corporations	143	Individual Shareholders' Income Tax and Franchise Tax
Sole Proprietorships	143	Individual Income Tax
Charitable Organizations exempt from Federal Income tax	143	Income Tax

The amount of the tax credit claimed shall not exceed the amount of the taxpayer's liability in the tax year that the credit is claimed. Any portion of the tax credit not claimed by the taxpayer in the tax year the contribution was made may be carried over the next five succeeding tax periods. The total tax credits approved for a contributor shall not exceed \$200,000 per year.

TYPES OF ELIGIBLE CONTRIBUTIONS AND PERCENTAGE OF TAX CREDITS

- 50%--Monetary contributions, as well as stocks and bonds contributions.
- 30%--Property contributions including materials, supplies, equipment and real estate.
- 50%--Wages paid to an intern or apprentice participating in an approved employment, internship, or apprenticeship project in business or trades for persons less than twenty years of age.

Contributions That Qualify For Tax Credits

- Cash—valued at face amount of check.
- Publicly-Traded Stocks and Bonds—valued at market price on the date of transfer but must be sold by the approved agency within 12 months of the date of transfer before the credits will be approved for the donor. Bonds must be matured at time of contribution.
- Materials, supplies, equipment—valued at the lesser of either the fair market value or contributor’s cost.
- Real Estate—valued at the lesser of two independent appraisals.
- Wages paid to youth participating in an internship, apprenticeship or employment program—valued at total amount of gross wages earned. (May not exceed \$10,000 in tax credits per youth per tax period.)

Note: There is no minimum contribution set by the Department of Economic Development.

RESTRICTIONS ON CONTRIBUTIONS

1. Contributions must be made directly to the administering organization.
2. In order for contributions to be eligible for tax credits, the donation must be made within the project’s authorized fundraising period.
3. Monetary contributions must be made from the donor's account for which the credit is to be certified. Contributions made from a tax-exempt account or fund are not eligible for credits.
4. A maximum of \$200,000 in YOP tax credits may be approved annually for a single contributor. This represents the combined amount of tax credits approved for contributions made by that contributor to all YOP projects in the state of Missouri.

Non-Cash Contributions Restrictions

5. Non-cash contributions qualify only if the contributed goods are needed specifically to carry out project activities covered by the YOP agreement and are included in the approved YOP budget and/or approved amendments. Items are valued at the lesser of either the fair market value or cost to the contributor and may include reasonable overhead costs incurred by the contributor in making the contribution, such as transportation or shipping. In no case shall the value of the contributed items include sales tax.
6. Contributions of labor and professional services do not qualify for YOP tax credit.
7. Contributions of food do not qualify for tax credits.
8. Contributions must be directly utilized by the YOP project. Contributions of items that will be sold or auctioned are not eligible for the YOP tax credit.
9. In order for a tax credit to be given in the contribution of buildings and other real estate:
 - Title must be held free and clear by the contributor.
 - Credit is based on the lesser of two independent appraisals conducted by state-certified or state-licensed appraisers. Appraisals must be performed no more than 18 months prior to date of contribution. Only one appraisal is required when the property is:
 - Commercial property with appraised value less than \$50,000; or
 - Vacant or residential property with appraised value less than \$25,000.
 - Phase I Environmental Site Assessment is required on all real estate contributed for YOP tax credit or purchased using YOP contributions. (See "Criteria For Construction/Renovation/Property Acquisition Projects," number 6 for more details.)

10. Used clothing does not qualify for credit. Only new items contributed by clothing manufacturers, distributors, or retailers are eligible.
11. Contributions of partial ownership interest in real estate do not qualify for YOP tax credit (i.e. full title must be given by the contributor in order for the contribution to qualify for the tax credit).
12. If only a portion of contributed real estate is to be used for activities covered under this agreement, the YOP tax credits will be prorated according to the proportion of the property that is to be used for the YOP project.
13. If only a portion of the value of a non-cash gift is contributed, YOP tax credit will be based on the amount discounted from what the value of the contribution would have been had the item been contributed outright.

Fund Raising Restrictions

14. Costs associated with the production of printed or audio-visual materials qualify when those materials focus on services provided by the non-profit organization rather than promotion of a specific fundraising activity or event. A fundraising appeal may be included in the material. Donations received from fundraising events are eligible after subtracting any goods or services received by the donor during the event according to IRS guidelines.
15. Contributions to pay for fund raising activities do not qualify for YOP tax credit.
16. Costs associated with contracted professional fundraisers are not eligible.

CRITERIA FOR CONSTRUCTION, RENOVATION, AND PROPERTY ACQUISITION PROJECTS

Construction/Renovation Projects are those that involve construction for a new or renovations to a newly acquired or existing facility. These projects must request a 24 or 36 month fund-raising period. All construction or renovation projects must justify their specific project outcomes in regards to the positive impact for youth through the services or activities that will take place in the facility upon completion. Projects may combine the construction and/or renovation costs with costs for other activities such as service delivery in the YOP budget. Applicants seeking YOP support for construction/renovation must adhere to the following conditions:

1. If the project purpose is to construct a new facility, it must be shown that a growing need and demand for the services necessitates physical expansion or show the existing structure presents a threat to the health and well-being of clients.
2. Applicants must provide written evidence of site control in this application. Acceptable documentation may include any of the following (See instructions for Attachment D.):
 - ◆ Title to the property or option to purchase
 - ◆ Lease, or option to lease, for a minimum of 5 years. (Refer to “Credit Payback” on page 9 of Guidelines.)
 - ◆ Contingency contract, or signed affidavit, stating the current owner's intention either to sell or donate the property if YOP tax credits are available.
3. Regardless of how many years the pledge payments will extend, tax credits will only be available for contributions that occur within the actual 24 or 36-month fund raising period. In those cases where the fund raising campaign is already underway, any contributions received prior to the start or continuing past the end of the YOP fund raising period will not be eligible for the tax credit.
4. The facility must be used primarily for service rather than administrative office space or storage.

5. An exterior sign must be posted at the construction site giving proper acknowledgment to the Missouri Department of Economic Development for partially underwriting the project. Upon completion, a plaque or other permanent recognition of YOP support must be posted in the building.
6. At a minimum, a Phase I Environmental Site Assessment is required on all real estate contributed for YOP tax credit or purchased using YOP contributions. A Phase I Environmental Site Assessment is a property history and a noninvasive physical assessment of the real property conducted in accordance with American Society for Testing and Materials (ASTM) Standard E.1527. (More information about the standard may be obtained by accessing this website: www.astm.org)
 - All hazardous substances must be removed or abated in accordance with local, state and federal regulations prior to acquiring or accepting contributed property. YOP tax credits cannot be used for contributions made to cover the costs of the removal or abatement of hazardous materials.
 - The professionals completing the assessment must be qualified in the detection of hazardous substances in the following categories as applicable to the property:
 - Lead-Based Paint
 - Asbestos-Containing Materials
 - Petroleum Products
 - Other Hazardous Substances
 - The assessment report must include the credentials of the professional conducting the assessment and be submitted to the YOP applicant and YOP staff for review before any real estate is acquired. (To find professionals that may be qualified to do a Phase I Environmental Site Assessment, look in your local or regional telephone directory under Environmental Consultants or Services.)

Property Use And Disposition Requirements

As the administering agency for the Youth Opportunities Program, the Department of Economic Development (DED) has the fiduciary responsibility of seeing that the tax credits are awarded for projects that result primarily in public benefit rather than private gain and not used to financially benefit an organization that would not otherwise be eligible to apply for YOP on its own behalf. The following guidelines have been developed with this in mind.

The cost of constructing, acquiring and/or renovating property may be offset by YOP if the space will be fully used by the organization to carry out its own programs and activities, as agreed upon with the DED. If any portion of the space will be rented or leased on a permanent basis, you must determine what proportion of the facility that represents, and pro-rate that percentage of costs out of your YOP Project Budget.

Contractual Obligation and Noncompliance

If your organization fails to complete the approved project as stipulated in the YOP contract or is found to be noncompliant with YOP policies and regulations, your organization may be required to pay back to the State a monetary sum equal to the number of tax credits that have already been issued for the project.

Tax Credit Payback

Project approval is based on the plans presented in your proposal and on any revisions agreed upon with the Department of Economic Development during your approved YOP fund raising period. If, at some point during the five (5) years following the end of the project period, your organization wishes to dispose of the facility, you may avoid a credit payback by selling it for at least 90% of fair market value, lump sum payment, with the proceeds applied either toward a replacement facility for your organization, or by carrying out some other project activity approved by the DED.

If YOP credits have been given for improvements on leased property, and the lease is terminated (for whatever reason) and property reverts to the owner within five (5) years after the end of the project period, a percentage of the credits approved for the building, including any furnishings or equipment that revert to the owner, must be repaid to the State of Missouri. Besides cash payment by the organization to the state, another acceptable method of settlement involves voluntary relinquishing of credits by contributors.

During Year	% of YOP Tax Credits to be Repaid to the State
1	100%
2	80%
3	60%
4	40%
5	20%

YOP COMPLIANCE ITEMS

If approved for YOP tax credits, your organization will be required to submit to YOP the following items to maintain good standing and be eligible to apply for future projects:

- ◆ Quarterly reports detailing where the project is compared to where it was expected to be in regards to performance targets, evaluation and budget.
- ◆ Requested changes in budget, performance targets, activities, etc.
- ◆ Final report within 6 months of the end of the project period.
- ◆ Final audit within 6 months of the end of the project period if \$25,000 in credits or more were utilized.

APPLICATION AND REVIEW PROCESS

How You Can Obtain Help With Your Proposal

Application workshops will be conducted in Jefferson City, Missouri at the Harry S. Truman Building. You may attend any of the sessions. It is recommended that you RSVP in the event there are last-minute changes in time or location. As always, the sessions are free and open to the public. Please read the Application Guidelines before attending and come prepared with a list of questions.

Prior to submitting your proposal, you may contact the YOP staff for technical assistance. If you call and reach our voice mail system, please leave a detailed message. This enables staff to be better prepared when returning your call. Staff will return your call within 24 hours if possible. Individual consultation may be arranged by scheduling a visit to the YOP office.

Packaging And Submitting Your Proposal

Before submitting your proposal, be sure to keep a copy of the application and attachments for your own records. You should double-check your proposal to make sure all required items are enclosed (a checklist has been provided for this purpose). There is no application fee.

All proposals must be submitted to our Jefferson City office at the following address:

Missouri Department of Economic Development
 Business and Community Services
 Youth Opportunities Program
 Truman State Office Building
 PO Box 118
 Jefferson City, MO 65102

Application Review

There is no deadline for submitting your proposal. Once your YOP project has met all basic eligibility requirements, a review of your written responses will be conducted. Your proposal will be reviewed and rated for the following: targeted customers, clear and concise project outcomes, clear and concise performance targets, milestones that are identified and proceed in a logical sequence, key individuals and partners involved with the project and the organization's financial capacity to complete the project.

Review Criteria

The Department of Economic Development will evaluate all proposals based on the following criteria. This evaluation may add or deduct points from the proposal score.

1. Degree to which the targeted youth are disadvantaged and/or below the state poverty level.
2. Degree to which the geographic area exhibits a high incidence of crime and violence.
3. Extent to which the applicant possesses sufficient capacity to administer the project and achieve the desired results.
4. Degree to which the targeted youth have demonstrated a need for the particular project being proposed.
5. Degree to which the project contributes to solving problems identified by the community.
6. Degree to which the project impacts YOP outcomes (see page 5).
7. Degree to which the organization has successfully completed past projects (if applicable), including performance target achievement, tax credit utilization, and completion of required documentation in a timely manner.

Tax Credit Allocation

The Youth Opportunities Program has approximately \$6 million in tax credits to distribute each year with no more than \$250,000 in tax credits awarded to any one project. The Department of Economic Development is required by law to give priority to areas that have a statistically higher incidence of crime, violence and poverty. The Department is also required by law to give priority to local, neighborhood, and community-based projects.

Recommendations And Notification

Projects will be recommended to the Department Director for approval based on final ratings. Copies of the official YOP Agreement (contract) will be sent to those projects selected for approval. Administrative training workshops for approved projects will be scheduled soon after projects are approved. No YOP tax credits are officially allocated to projects until the YOP Agreement has been signed and notarized by the applicant and signed by the Department of Economic Development.

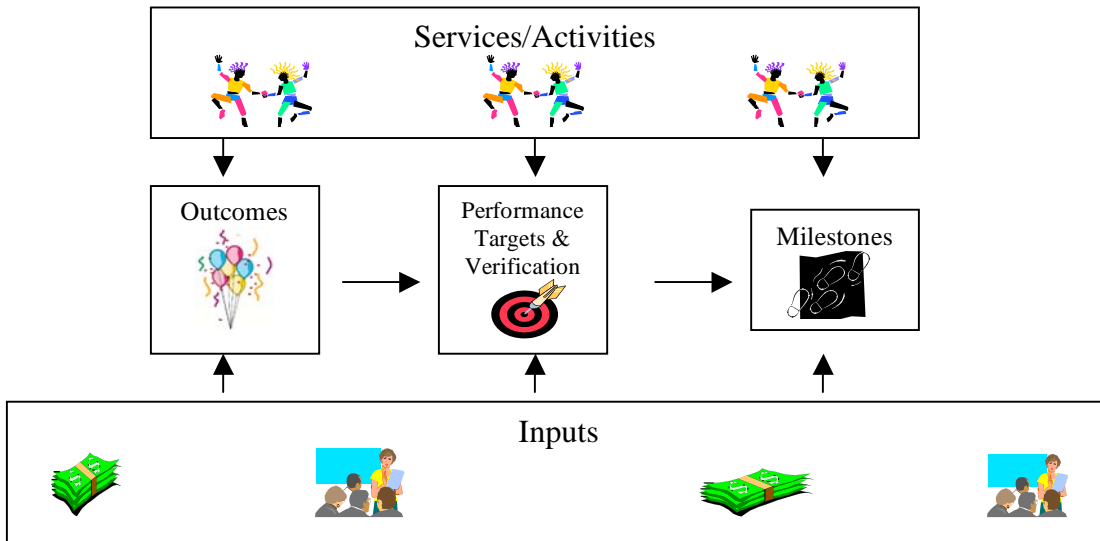
GUIDELINES FOR SUBMITTING AN APPLICATION

1. Applications are available on the DED web site at the following address: www.missouridevelopment.org click on BCS Programs and then scroll down to Youth Opportunities Program.
2. Faxed copies of applications will **not** be accepted.
3. Applications cannot be handwritten. This applies to the Budget and Attachments as well.
4. All Attachments should be clearly labeled and placed in the proper sequence (beginning with Attachment A) at the end of the proposal.
5. Application forms must be used. The narrative section should be submitted on separate paper.

The application and attachments are located on pages A1-A10 of this booklet. ***The application must contain an original notarized signature on page A9.*** The signature must be that of the organization’s director as listed on the first page of the application. Applications will not be accepted without this signature.

Application Definitions/Examples

Please read the application questions and answer them as concisely and completely as possible. Keep in mind that the focus should be first on outcomes and then on how the agency will achieve those outcomes, using inputs and activities. Use the definitions/examples to answer the application questions.



Note: The “**project**” proposal is specifically for the YOP project that is being submitted—not for **all** of the services and programs that your organization may provide.

1. **Services/Activities**—Activities are the services a program provides that staff coordinate and conduct for the targeted youth. The activities must clearly tie to the outcomes, targets, and milestones.



Services/Activities: Example (Youth Activity Center)

XYZ, Inc. is proposing the construction of a youth activity center. Key features: after-school tutoring, substance abuse programming, and recreational activities. The new facility will have a gym, as well as classroom space and computers. XYZ, Inc. will have college age tutors available Monday-Friday during the school year and is working with the local college to create a curriculum/schedule for substance abuse programming. Comparative Advantages: the facility will be within walking distance of the population we have targeted, so transportation will not be an issue. There is no other youth activity center in the area at this time. Growing Need: Currently, we are in an old residential structure, which is inadequate to serve the number of youth who have shown an interest in coming. We have had to turn away 45 youth this year alone. We are proposing to serve an additional 70 youth with this construction and with some outreach believe we will have those additional youth ready to participate when construction is complete.

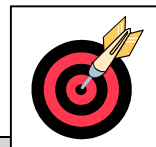
2. **Outcomes**— Outcomes are the broad, general goals an organization sets for itself that result in direct benefits to the youth that are involved in a program. Outcomes may relate to a change in the knowledge, skills, attitudes, behaviors, condition, etc. of participants. Outcomes must clearly relate to the services. Include any outcomes that reflect the Youth Opportunities Program outcomes.

Outcomes Example: (Youth Activity Center)

- Increase the number of at-risk youth that receive a high school diploma.
- Increase the number of at-risk youth that receive a GED.
- Increase the number of at-risk youth that remain in school and earn course credit(s) toward their diploma.
- Reduce the number of at-risk youth committing crimes and violent acts.
- Decrease the number of at-risk female teens that become pregnant.
- Increase the number of youth that have completed alcohol and drug awareness programs and abstain from alcohol and drug use.
- Increase the number of at-risk youth that have completed an employment skills education and development program.
- Other _____
- Other _____
- Other _____
- Other _____

3. **Performance Targets**— Targets are the numerical (not percentage) performance levels that indicate how many youth will achieve the specified outcomes. There should be a minimum of one performance target that relates to each outcome, and they should reflect how the targeted youth would benefit from the project. Explain why these numbers were chosen and how you determined that these numbers are appropriate.

4. **Verification**— Verification includes any information tool that tracks and verifies success of achieving performance targets and outcomes. Include how often the evaluation will take place and who is responsible for collecting the data. Each performance target must have an evaluation tool.

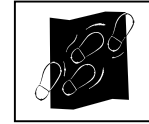


Project Performance Targets/Verification: Example (Youth Activity Center)

Outcome	Performance Target	Verification
Increase youth remaining in school & earning course credits.	1. 84 of 100 youth participating in tutoring will increase their grades or maintain at least a B average.	1. Quarterly Grade Reports collected by the Program Administrator
Reduce the youth committing crime and violent acts.	1. 150 of 200 youth participating in after school & weekend recreational activities will not be involved in any fights or commit any crimes.	1. School referrals and police records at the end of each semester by the Program Administrator.
Increase the youth who abstain from alcohol & drug abuse.	1. 84 of 100 youth participating in substance abuse programming will increase their knowledge of the types of substances and their effects.	1. Pre- and post-tests administered by Program Director at the end of each semester.

These targets were chosen based on past experience with our youth. We are projecting an increase in the number of youth who will be successful in the tutoring program this year, as a result of decreasing the student-tutor ratio. With the new gymnasium constructed, there also will be an increase in the number of youth that participate in the second year in after-school and weekend programming.

4. **Milestones**— Milestones are the essential steps that define what youth must do to enable agencies to successfully reach the targets. Milestones are based on the participants’ efforts/activities and must be verifiable. First, list each step that must occur in order for the project to achieve the targets listed. Second, go back and determine the level of participation required or other important variables that may affect the achievement of the performance targets. Include a timeline explaining when each milestone will begin and end. In addition, define the steps that the organization must take in order to complete the fundraising for the project, as well as the construction, if applicable.



Milestones: Example (Youth Activity Center)

Milestones	Number Needed	Timeline
Construction: Acquire Property		By June 30, 2008
Site Preparation Completed		By August 31, 2008
Construction of gymnasium		Sept.1, 2008 – April 30, 2009
Fundraising Board Members will contact at least 2 eligible contributors	14 contacts made	Quarterly during fundraising period
Direct mail campaign	2,000 letters	January 2008, 2009
Development Director will meet with local businesses/Chamber of Commerce to discuss the project and the tax credits.	At least 5 businesses	Quarterly during fundraising period
Contact accountants concerning availability of tax credits	40	October 2008, 2009
Programming: Learn of Program	650	300 prior to Jan 1, 2008 350 prior to Jan 1, 2009
Youth take pre-test for tutoring evaluation	50	25 by Feb. 2008 25 by Feb. 2009
Youth take pre-test for substance abuse training	100	50 by Feb. 2008 50 by Feb. 2009
Youth attend tutoring sessions	100	Weekly 50 Feb 2008-Dec 2008 50 Feb 2009-Dec 2009
Youth attend substance abuse programming	100	Monthly 50 Feb.2008-Nov 2008 50 Feb.2008-Nov 2009
Youth attend recreational activities	200	Daily 75 Feb 2008-Nov 2008 125 Jan 2008-Nov 2009
Youth submit grades for evaluation	100	Quarterly 50 May & Dec 2008 50 May & Dec 2009
Youth take post-test for tutoring evaluation	50	25 in May & Dec 2008 25 in May & Dec 2009
Youth take post-test for substance abuse training and complete self-report	100	50 in May 2008 50 in May 2009
Final evaluation of all programming		December 2009

5. **Inputs**—Inputs are the resources dedicated to the project, including key individuals and the budget that allow the agency to provide the services/activities, and meet their milestones, performance targets and outcomes.

Key Individuals—Key individuals are those people who will have the most responsibility for making this project successful, connecting to the targeted youth, and achieving the performance targets.

1. **Energy**—The ability to infuse life into oneself, colleagues, and the target population. Energy is what a program needs to get started, but more importantly what it takes to keep going. Do the key individuals demonstrate the ability to generate enthusiasm for the project among youth, staff and community? Can the individuals engage youth and keep them engaged in the project?
2. **Capacity**—The level of skill and knowledge each of the key individuals have in their positions, not necessarily the length of time they have been with the project.
3. **Commitment**—Do the key individuals have a personal stake in the success of the program? Do they have a commitment to stay with the project until it is completed or for a specified amount of time?

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YOP Budget--The budget includes the various expenses to be charged against the project described in this application for which you are asking YOP support. All items in the budget must be clearly tied to the activities and outcomes of this proposal.

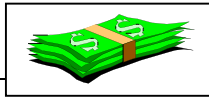
- ◆ Do not use tax credit figures, use actual dollar amounts.
- ◆ Round all figures to the nearest dollar, and do not include sales tax in costs.
- ◆ Refer to pages 7 and 8 of the Application Booklet, Restrictions on Contributions, to make sure the items are allowable YOP expenses.
- ◆ **If tax credits are being requested for multiple locations, a separate budget page must be submitted for each location.**
- ◆ During the proposal review stage, DED staff will screen the expenses for eligibility, and may contact you to negotiate actual dollar amounts should any expenses appear unreasonable.

Amount From Other Sources--Include all dollars to be secured from other sources to pay for expenses for the project described in this YOP application that are not included in the YOP Budget.

Budget Categories

- ◆ ***Salaries/Wages/Fringe***—Salaries/Wages/Fringe include full and part time staff members who will be assigned to this project. Amounts should be pro-rated to reflect the approximate percentage of time devoted to the project.
- ◆ ***Contracts***—Contracts include paid services that are not compatible with the hiring of a full or part-time staff person. These services can be for accounting, consulting, legal, auditing, architectural, engineering and other costs needed to implement your project. **NOTE:** Contracted fundraising services are not eligible YOP project costs. ***If your project budget includes an audit, only the cost for the YOP project audit may be included. An audit must be conducted on your YOP project if your project utilizes \$25,000 or more in tax credits.***
- ◆ ***Travel***—Travel includes local and/or out of town travel costs. This category may include expenses required to participate in professional training and workshops related to implementation of the YOP project.
- ◆ ***Equipment***—Equipment includes purchase, lease or rental of equipment, furnishings, appliances and other related items that will be used in the proposed YOP project. Please use reasonable and current costs in your area to determine the amount requested.
- ◆ ***Supplies***—Supplies include all expendable supplies to be used during the project period. Items such as paper clips, paper, pens, etc. should be calculated at a reasonable use cost per year. Please use a separate figure for any unusually large supply needs that relate to the nature of the YOP project.
- ◆ ***Building Space***—Building Space includes rent or lease of all facilities needed during your YOP project period. These costs should be comparable to the prevailing space costs in the community or geographic area in which you are located.
- ◆ ***Construction***—Construction includes new construction, expansion and/or renovation of your building. All construction cost figures should be reasonable and based on prevailing costs in your community or geographic area. Please provide cost per square foot and a brief description of the facility.
- ◆ ***Property Acquisition***—Property Acquisition includes land and/or structures required to complete your YOP project. These costs should be based on current appraisals or the best estimates of value available at the time your application is completed.
- ◆ ***Other***—Other includes utilities, phones, building and vehicle maintenance, insurance, postage, etc.

Budget Page Example (Youth Activity Center)



Budget Category		YOP Budget	Amount From Other Sources
Salaries			
Executive Director	\$36,000/year 10% x 2 years	\$ 7,200	
Youth Program Coordinator	\$20,000/year 50% x 2 years	\$20,000	
Tutor (Part-time)	\$ 2,400/year 100% x 2 years	\$ 4,800	
		\$32,000	
Contract			
YOP Audit		\$1,000	
Travel			
Youth Program Coordinator			
100 miles/mo. x \$.25/mile x 24 mo.		\$600	
Equipment			
3 Computers and printers @ \$1,800 each		\$5,400	
Supplies			
Supplies for tutoring \$400/year x 2 years		\$800	
3 toner cartridges for printers @ \$260 each (30% for YOP)		\$780	\$546
Building Space			
Facility leased @ \$1,200/mo. x 12 months		\$28,800	
(Have grant to supplement lease expense, see question 12.)		\$8,640	\$20,160
Construction			
<u>Expansion of Gymnasium</u>			
Site preparation		\$5,400	
Construction of Gym—2,500 sq. ft. @ \$75/sq.ft = \$187,500		\$87,500	
(Have other funding for \$100,000, see question 12.)		\$92,900	\$100,000
Property Acquisition			
4 acres for gymnasium		\$20,000	
Other Costs			
Telephone \$150/month x 24 months		\$3,600	
Insurance \$150/month x 24 months		\$3,600	\$5,040
TOTAL—(YOP BUDGET MAY NOT EXCEED \$500,000)		\$163,734	\$125,746
# of Youth Targeted		150	

****Please note - The Department actively seeks to apply YOP fundraising dollars to direct care and direct programming costs, while minimizing administrative salaries and general overhead costs. Therefore, administrative salaries and general overhead expenses should be prorated for the YOP portion of the program or organizational budget.**

Attachment Definitions

Attachment A—Current Members of the Board, Council, or Commission

This list should include **all** individuals who are presently serving as members of your Board of Directors; School Board; Neighborhood, Community or City Council; or Commission. The following information should be listed for each individual member: Name, day phone, occupation, position on the board, and whether or not the individual is a resident of the project area. Use the form provided to list this information, and make copies for additional pages as needed. A copy of this attachment is required.

Attachment B--Letters of Support

Evidence of support must include a local government endorsement letter from your city alderman, mayor, or county official indicating the project is not in conflict with any existing city/county community plan. All applicants should provide written evidence of support from any other agencies, organizations, or institutions whose cooperation is required to carry out the project. In addition, letters of support from your project's targeted youth, as well as state elected officials and community leaders may be submitted. General letters of support for the organization are helpful, but letters indicating specific support for this YOP project will strengthen your proposal. A copy of this attachment, the local government endorsement letter, and at least 3 other letters of support dated within six months of submittal of proposal are required. **NOTE:** Letters of support from members of the applicant's board of directors or staff will not meet this requirement.

Attachment C--Site Control Document

If your proposal involves any construction, facilities acquisition, improvement, or expansion, you are required to give written evidence that your organization has sufficient control over the site where the proposed construction and/or renovation will take place (See page 8, "Criteria For Construction/Renovation Projects" for acceptable documentation). A copy of Attachment D (provided) is required, along with a copy of the appropriate documentation.

Attachment D—Map(s) of Project Area and Location

The map should clearly show the boundaries of the area your organization serves, as well as the geographic location of your office headquarters (show street or road) and the location of specific project activities (show street or road) that will be undertaken. You may enclose actual marked city maps, and/or excerpts from any other maps that would provide sufficient detail, depending upon the geographic scope of your YOP project.

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