

UCIDA Applicant Background Check - DRAFT for Discussion

Summary

The UCIDA is conducting background checks on each applicant and related entities. The purpose of the background check is to assess the Applicants financial solvency and business track record. The process for background check is outlined below. The background check does not include a criminal background check at this time.

Background Check Process

- Step 1-Document Review: IDA Staff reviews the completed application form as well as supporting documents, including audited financial statements.
 - Note: The current application instructions require submission of audited financial statements for business entities.
 - OPEN for discussion: For individuals, three years of tax reports are should be required. This is not currently stated in the instructions. The recommendation would be to make this addition would be added to the instructions as part of the application revisions.
 - OPEN for discussion: Should individuals and business be required to provide a police record or Certificate of Standing (Department of State) or FTC review as well as industry specific regulator review / report?
- Step 2-BusinessBackground Check:
 - If the Applicant is a Businesses (LLC or similar corporate structure): IDA Staff and prepare a Dun & Brad Street Comprehensive Report at a cost of approximately \$108.15 / per entity. The report details the credit worthiness and legal history of the business.
 - If the Applicant is an individual or the project is backed by a personal guarantee, IDA Staff will conduct an Experian credit check at a cost of approximately \$27/per person.
- Step 3-Newsfeed Check: IDA Staff searches of local and regional newspapers and online records for information related to the Project and/or the Applicant and its key members and management.
- Step 4-Summary Preparation: The findings of the report are shared with the Board as part of the application evaluation and project summary.

Notable Exceptions to the above process:

- If the applicant's company is a newly formed entity with less than 3 years of audited financial statements and reporting, a background check will not provide sufficient data on the applicant's business performance and payment history. The background check will instead be conducted on the Applicant's related businesses. Related businesses are defined as businesses with the same (or majority) owner or management of the Applicant.
 - Note: The Applicant is required to provide details on ownership structure and management which will be the basis for the expanded background check
 - If the applicant's company is majority owned (i.e., equal to 50% or greater) by a natural person or individual, the background check will be for the individual(s). The IDA would require a personal guarantee for the Project

Background Check Fees

- Prior to Dec 31, 2017 the cost of the background checks will be covered by the UCIDA
- Effective Jan 1, 2018, applicants are responsible for reimbursing the UCIDA for the cost of the background check
 - Note: Fees will vary based on the number of entities or persons associated with the application
 - **OPEN for discussion: Confirm the effective dates**