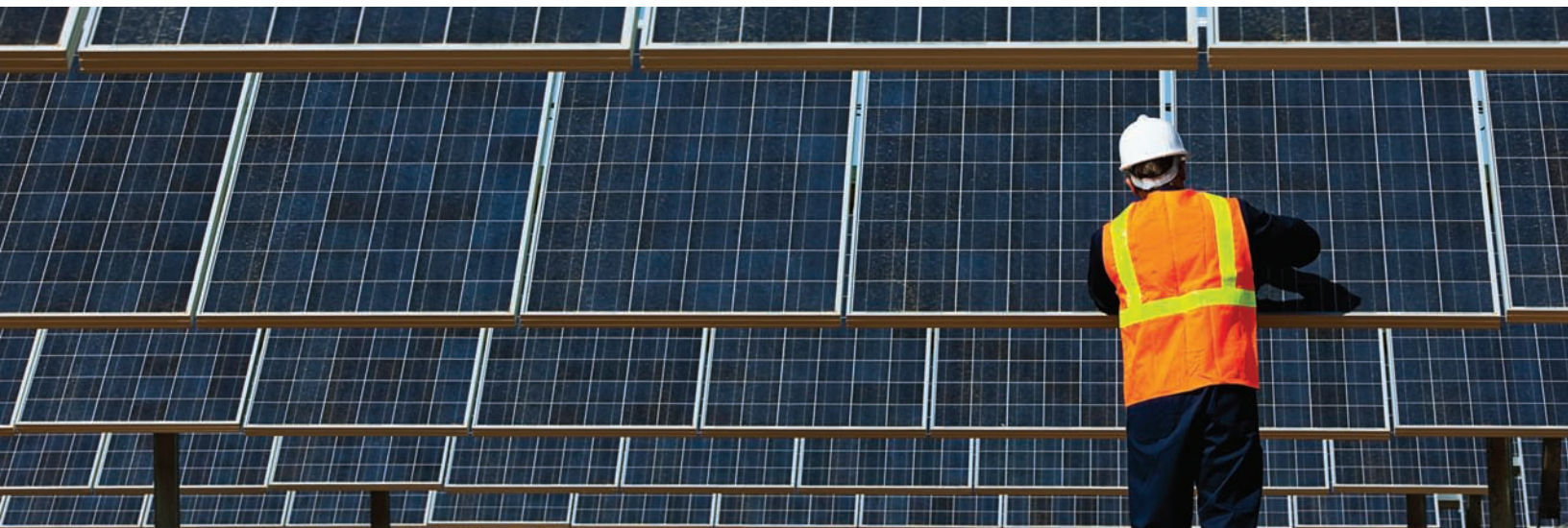


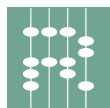
## Section 1603 Grant Advisory Services

| INDUSTRY |



Understanding today's  
**opportunities**. Creating  
tomorrow's **successes**.

Section 1603 of ARRA offers up to a 30 percent cash grant to renewable energy facility owners and lessees. Reznick Group provides advisory services to help your business benefit from this and other key financial incentives.



**Reznick  
Group**

ACCOUNTING ■ TAX ■ BUSINESS ADVISORY

## Section 1603 Advisory Services

The American Recovery and Reinvestment Act of 2009 (ARRA) has created numerous financial incentives for the renewable energy industry. Section 1603 of ARRA enables renewable energy facility owners or lessees to qualify for up to a 30 percent cash grant instead of the federal investment tax credit under Internal Revenue Code Section 48.

**The application deadline for the Section 1603 grant program is October 1, 2012.** To qualify, a renewable energy project must be placed in service or begin construction in 2009, 2010 or 2011. The project also must be placed in service before the applicable credit termination date.

Reznick Group offers advisory services that can help you take advantage of the Section 1603 program and other financial incentives. By assessing your business and financial goals, we can advise you on which federal program works best for you – the renewable energy grant program or the federal energy tax credit incentive.

## Federal Renewable Energy Grant Application Services

Reznick Group provides advisory services to help determine your eligibility for the Section 1603 grant program and complete your application.



## Pre-Grant Application Advisory Services

It is critical that applicants for the Section 1603 grant program be fully aware of all requirements, limitations, and deadlines for the program. We can help determine if your project is fully eligible for the grant and will meet the requirements stipulated in the grant guidance documentation once your application is submitted. We will also advise you on the ideal timing for your application submission.

## Application Advisory Services

Reznick Group can help you prepare and process the various supporting materials and certifications that must be submitted with your grant application.

### Independent Accountant Certification

A certification of the eligible costs of a renewable energy property is required for all grant applications with a cost basis exceeding \$500,000.

If you are applying for a payment of \$1 million (eligible cost basis exceeding \$3.33 million) or more for a specified property, you must submit an independent accountant's examination opinion attesting to the accuracy of costs claimed as part of the basis of the property.



If you are requesting payments of less than \$1 million and your property has an eligible cost basis greater than \$500,000 but less than \$3.33 million, you may submit a report of Agreed Upon Procedures (AUP) with your application. This report may be submitted in lieu of an examination report, but it must be prepared by an independent accountant.

Reznick Group has delivered examination opinions and Agreed Upon Procedures reports for many clients.

#### **Valuation Services**

A lessor eligible to receive a Section 1603 payment for a renewable energy property may elect to pass-through the payment to a lessee. An independent assessment of the fair market value on the date the property is transferred to the lessee must be conducted under the requirements of the grant program. Reznick Group's valuation professionals can provide the independent fair market value assessment needed for the application and typically required by project investors.

#### **Placed in Service Certification**

Documentation must be provided to demonstrate that your property has been placed in service. An independent third party must be used to certify that your equipment has been installed, tested, and is ready and capable of being used for its intended purpose.

#### **Safe Harbor Compliance Testing**

A Section 1603 grant applicant may treat physical construction as having started if more than 5 percent of the total cost has been incurred or paid. In determining this, any potential cost overruns must be considered. Reznick Group can provide a "5% test" of total costs to tell if you are in compliance with the economic performance standards of IRC section 461(h).

#### **Cost Segregation**

By coordinating with engineers and Reznick Group's cost segregation team, you may be able to accelerate the timing of federal income tax depreciation deductions. In some cases, this may enable you to increase the amount of property eligible for the Section 1603 grant, thereby increasing your grant proceeds.

#### **Other Application and Registration Services**

Grant applicants must apply for several identifying data elements including a Data Universal Numbering System (DUNS) number from Dun and Bradstreet. You must also register with the Central Contractor Registration (CCR). Reznick Group can help you fulfill all required applications and registrations.

### **Our Renewable Energy Team**

Reznick Group's renewable energy practice comprises a multidisciplinary team of accountants, energy specialists, engineers and policy analysts. We advise clients on the most efficient means of financing renewable energy projects using tax credits and other options for raising capital.

### **Learn More:**

Including Reznick Group as part of your renewable energy project team will provide you with access to a depth of knowledge and experience unparalleled in our industry.

For more information on our services for the renewable energy industry, visit:

[www.reznickgroup.com/renewableenergy](http://www.reznickgroup.com/renewableenergy)

## About Reznick Group

Reznick Group is a top 20 national CPA firm providing accounting, tax and business advisory services to clients nationwide. The firm's industry experience includes affordable housing, financial services, renewable energy, healthcare, nonprofits, professional services, commercial real estate and technology.

For more information, visit:  
[www.reznickgroup.com](http://www.reznickgroup.com)