

## **\_EMPIRE STATE DEVELOPMENT**

### **FILM TAX CREDIT PROGRAM**

#### **Responses to questions regarding the July 2014 Request For Qualifications (RFQ) from CPA Firms**

##### **Accreditation and the Mandatory Quality Review Requirement**

*Q: Would accreditation by the American Institute of CPAs (AICPA) fulfill the criterion that a CPA firm is accredited by a reputable national organization for accountants?*

A: Yes, membership and accreditation from the AICPA fulfills this criterion.

*Q: My firm is located outside of New York State. If a mandatory quality control review of the firm were performed by a reviewer from my home state and monitored by our State Society of CPAs, would that meet the mandatory quality review requirement in Section 7410 of the NYS Education Law?*

A: There is one acceptable peer review program. The program is administered directly by the AICPA and also through the various State Societies of CPAs across the US. Out-of-NYS firms are required to have a peer review administered by the AICPA or their home State Society of CPAs. NYS accepts all of the states' peer reviews. Another requirement for out of state firms is that they are registered with the NYS Education Department (NYSED) as CPA firms. In addition, most businesses, including corporations and limited partnerships, must also register with the NYS Department of State. To see if your firm is registered with the NYSED please use the search box of registered accounting firms on the NYSED webpage: <http://www.op.nysed.gov/opsearches.htm>. If your firm is not currently registered, you can register with NYSED, and the Department of State, if necessary. Proof that a firm has begun the registration process must be submitted with the response to the RFQ by the August 29 deadline. The forms, fees and other information from the NYS Department of State can be found at [www.dos.ny.gov/corps](http://www.dos.ny.gov/corps).

##### **“Review” vs. “Report”**

*Q: The RFQ refers to CPAs conducting a “review” as well as an Agreed-Upon Procedures “AUP” report. For CPAs, a review is much different in scope than an agreed-upon procedure report. Are you looking for CPAs to provide both a review and a report as part of a production’s final report to ESD?*

A: CPA firms will be expected to submit an agreed-upon procedures “AUP” report to ESD as part of the film production’s final report for a film tax credit. CPAs are not expected to conduct a formal review. The original draft of ESD’s RFQ referred to this report interchangeably as both a “review” and a “report”. Updated versions of the RFQ and the AUPs will reflect new language that only refers to the CPA report.

##### **Annual Review of the Pre-Qualified CPA List**

*Q: Will ESD periodically accept and review additional responses to the RFQ for inclusion on the pre-qualified CPA list?*

A: ESD anticipates that the list will be periodically reviewed. The process for ongoing acceptance of responses from CPA firms to participate in the third-party verification of final applications to the NYS Film Tax Credit Program have not yet been established. ESD anticipates that it will post updated information about the RFQ on its website: <http://www.esd.ny.gov/CorporateInformation/RFPs.html>.

### **Miscellaneous**

*Q: Is the two-page response restriction only in reference to the six criteria listed in the RFQ?*

A: Yes, the two-page response is only in reference to the six criteria listed under “Requested Services” in the RFQ. The “in addition” items can be submitted on additional pages.

*Q: Will Applicants be given the chance to provide additional information if a response is not sufficient?*

A: ESD may ask follow-up questions of firms as part of our review.

*Q: What are the specific dates and locations of the Film Tax Credit Program Workshops?*

A: ESD has not yet scheduled the workshops. Workshop information will be posted on the RFP page of ESD’s website: <http://www.esd.ny.gov/CorporateInformation/RFPs.html>.