

CERTIFIED DEVELOPMENT COMPANY (CDC) ANNUAL REPORT GUIDE

CDCs are required to submit an Annual Report on their operations to SBA. (13 CFR, §§ 120.826 and 120.830). All reports are to be prepared in accordance with these regulations, SOP 50 10, and the instructions set forth in this guide. This report is required to ensure that the CDC is in compliance with SBA's Loan Program Requirements.

CDCs may include, along with the Annual Report, a request for renewal of their Accredited Lender Program (ALP) or Premier Certified Lender Program (PCLP) status (if applicable). If the CDC chooses to include a renewal request in its Annual Report, the CDC must clearly indicate in its Annual Report that a renewal request is included. Any status renewal request submitted along with a CDC's Annual Report must meet SBA's Loan Program Requirements for the status request. CDCs are reminded to refer to ALP/PCLP guidance in SOP 50 10 when preparing their renewal requests. Office of Credit Risk Management (OCRM) staff, when reviewing either the Annual Report or the status renewal request, may ask for updated information as needed to complete the review. Initial requests for Priority Status, ALP status, PCLP authority, a Local Economic Area (LEA) Expansion, or a Multi-state Expansion should not be included in the Annual Report and must be sent separately according to the instructions set forth in SOP 50 10.

Submission Requirements: CDCs are requested to submit the Annual Reports to their [Lead District Office](#) electronically via email with a copy to OCRM at CDCAnnualReports@sba.gov. (CDCs submitting hard copies of their Annual Report do not need to provide a copy to CDCAnnualReports@sba.gov.) CDCs should note that the size limitation on SBA email boxes is 10MB. If the electronic file is larger than 10MB, you may need to separate the electronic file into multiple attachments.

CDCs also have the option of submitting their Annual Reports through the Corporate Governance Repository located on the Capital Access Financial System (CAFS) (https://caweb.sba.gov/cls/dsp_login.cfm) under the CDC Online function. Use of the Corporate Governance Repository will avoid email size limitations. CDCs using the Corporate Governance Repository to submit their Annual Reports will need to submit any ALP or PCLP renewal requests separately.

In order to ensure uniform and comparable data by all CDCs, the Annual Report has been designed to standardize reporting requirements. CDCs should report on every item within each Tab of the guide (items or tabs without information being reported should state "N/A"). Both electronic and hard-copy submissions should be organized with tabs that correspond with the tabs indicated in this guide. (The Corporate Governance Repository requires the items in each tab to be uploaded document-by-document.) CDCs that choose to submit hard copies of their Annual Report must use only 8.5 by 11-inch paper and must provide their original Annual Report, **plus one copy of the report** to their Lead District Office. The Lead District Office will forward one hard copy of the Annual Report to OCRM and retain the other hard copy of the Report for their records. The CDC's Lead District Office can be found at www.SBA.gov.

The Annual Report, whether submitted electronically or as a hard copy, must include all of the required documents, signatures and attachments and comply with the instructions set forth in this guide. CDCs may use the Corporate Governance Repository to upload some of the documents

required for the Annual Report, even if the CDC elects not to submit the entire Annual Report using the Corporate Governance Repository. Documents that have been uploaded to the Corporate Governance Repository do not need to be resubmitted if the CDC elects to file the Annual Report by email or hard copy. Instead, the CDC must list in the email or hard copy of the Annual Report all of the documents that have been uploaded to the Corporate Governance Repository and the date of availability.

Timing: The Annual Report must be filed with the CDC's Lead District Office within 180 calendar days after the end of the CDC's fiscal year; although CDCs are requested to submit their Annual Reports sooner if possible. A CDC that is certified by SBA within 6 months of the CDC's fiscal year-end is not required to submit an Annual Report for that year.

Incomplete or unacceptable reports will be returned to the CDC and the CDC will be considered to have not fulfilled the requirement. If a CDC does not submit its Annual Report in a timely manner, this will be reported to OCRM for potential supervisory or enforcement actions.

PLEASE NOTE: The estimated burden for this collection of information is 28 hours. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments or questions on the burden estimate, or ways to improve the guide should be sent to US Small Business Administration, Director, Records Management Division, 409 3rd St., SW, Washington, DC 20416 and/or SBA Desk Officer, Office of Management and Budget, New Executive Office Building, Room 10202, Washington, DC 20503.

ORGANIZATION OF THE ANNUAL REPORT

TAB 1. **Economic Development Report**

CDC must report on the previous year's investment and results, the current year's investment and expected results and the upcoming year's budget estimate. CDCs should use a results-based assessment when considering the investment and/or reinvestment year after year. The entity and/or program receiving the investment should be required to provide results-based reporting to the CDC. All of this information together should be reviewed and approved by the CDC's Board of Directors.

The Economic Development Report is designed to provide local economic information as well as analytical data on the impact of the CDC's **non-504 assistance to small business**. This report must include the following information in the order described:

1. Local economic changes which impact lending. (For Multi-State CDCs, these comments must be provided for each state.)
2. Summary of CDC activity in lending programs other than 504 (either SBA or non-SBA).
3. Summary of CDC activity in non-lending programs (grants or non-lending economic development efforts).
4. CDC's economic development strategy that outlines the efforts the CDC will undertake during the upcoming fiscal year to serve its Area of Operations. This includes projections

for 504 loan activity **and** investments in other economic development. (For Multi-State CDCs, these comments must be provided for each state.)

Include evidence of CDC Board of Directors' approval of the investment plan for the upcoming fiscal year and the basis for determining the type/amount of investment.

Guidance on Reporting on non-lending investments in economic development activities:

CDCs are required to report on investment in economic development per 13 CFR § 120.830(a)(4). CDCs must document non-lending investments in economic development activities by instituting a results-based reporting requirement from the recipient entity. For non-lending investments in economic development activities, the CDC should track and report on:

1. The initial investment amount for each program;
2. The amount of investment made during the fiscal year being reported;
3. The expected results of the investment in the specific program(s) (at the time of investment); and
4. The actual results of the investment in non-lending other economic development activities.

TAB 2. Operating Report

1. Directors/Committees (as of the end of the CDC's fiscal year being reported)

Changes from the previous CDC fiscal year must be noted with an asterisk. If a new Director has joined the Board, the CDC must provide the date(s) that SBA Form 1081 and resume(s) were submitted to SBA.

- a. Board of Directors. Organize as follows:

- i. Director's name;
- ii. Area of each director's expertise;
- iii. The director's current occupation, business address, and business phone number;
- iv. Each director's residence (City, State);
- v. If an officer of the board, state office; and
- vi. If the CDC is a Multi-State CDC, and the CDC added two additional members to the Board who live or work in the State into which the CDC expanded (the "additional State"), identify these members and provide the information listed in paragraphs a.i. through iv. above.

- b. Identification of "Close Relatives": CDCs must identify any relationships between Directors and/or CDC employees that are defined as "close relatives" per 13 CFR §120.10.

- c. CDC Board Meetings – List the following information:
- i. Dates of the CDC Board meetings during the fiscal year being reported;
 - ii. Names of the Board members present at each meeting, including identifying which of the required areas of expertise the Board member represents;
 - iii. For the present Board Members with experience in Commercial Lending, list each member's name, title, lending institution, and number of years of experience. Specify if one is the CDC manager;
 - iv. A listing of the borrower names (to include the loan numbers, if available) of any 504 loans approved during the meeting. In addition, for Multi-State CDCs that add at least two additional members to the Board to represent the additional State, the Board minutes must identify the members who voted on the loan for any Project located in the additional State; and
 - v. A complete collection of the minutes for each meeting during the reporting period. The meeting minutes must identify any recusals from voting by any Director due to potential or actual conflicts of interest. Note: Board minutes may be accepted instead of a full listing of items c.i. through c.iv. above **ONLY IF** the minutes are signed and provide all of the required information listed above.

d. Executive Committee

If the CDC has an Executive Committee, provide the name and area of expertise of each Executive Committee member.

e. Executive Committee Meetings

If, in addition to the Board meetings, the CDC has Executive Committee meetings, the CDC must provide the same information listed under CDC Board Meetings (items c.1. through c.v. above) for Executive Committee meetings, including a complete collection of the Executive Committee minutes for each Executive Committee meeting during the reporting period, which must identify any recusals from voting by any Committee members due to potential or actual conflicts of interest.

f. Loan Committee(s)

- i. If the CDC has a Loan Committee which is separate from the Board of Directors, provide the following information for each Loan Committee member:
 - a) Committee member's name;
 - b) Area of each Committee member's expertise;
 - c) The Committee member's current occupation, business address, and business phone number; and
 - d) Each Committee member's residence (City, State).
- ii. If Board of Directors serves as the CDC's Loan Committee, a separate listing is not required. CDC may denote Loan Committee members clearly on the

Board listing.

iii. Multi-State CDCs have the option of either:

a) Establishing a separate Loan Committee in each State into which the CDC expanded (the “additional State”); or

b) Adding at least two additional members who live or work in the additional State either to the Loan Committee in the CDC’s State of incorporation (if established) or to the CDC’s Board.

Accordingly, Multi-State CDCs must provide the information described in paragraphs f.i.a) through d) above for either the members of the Loan Committee established in the additional State or the two or more additional members who are added to the CDC’s Loan Committee. (If the two additional members are added to the CDC’s Board, see ¶ 1.a.vi. above.)

g. Loan Committee Meetings

If, in addition to the Board meetings, the CDC has Loan Committee meetings, CDC must provide:

- i. The same information listed under CDC Board Meetings (items c.i. through c.v. above) must be supplied for Loan Committee Meetings, including, but not limited to, a complete collection of the Loan Committee minutes for each Loan Committee meeting during the reporting period, which must identify any recusals from voting by any Committee members due to potential or actual conflicts of interest. In addition, for Multi-State CDCs that add at least two additional members to the Loan Committee to represent an additional State, the Loan Committee minutes must identify the members who voted on the loan for any Project located in the additional State; and
- ii. A listing of each loan approved by the Loan Committee between \$1,000,000 to \$2,000,000 and the date that the Board or Executive Committee ratified the action of the Loan Committee.

2. Professional Staff. Organize by CDC office location as follows:

- a. Organizational chart which reflects the structure of the CDC and the relationship amongst personnel and departments;
- b. A listing of all CDC staff by name, position title, function, and years of 504 loan experience (including, but limited to: marketing, screening, packaging, processing, closing, servicing, liquidation, management);
 - i. If the individual fulfills more than one 504 loan program staff function, identify each function and the approximate percentage of time that the person spends on each activity

For example:

Jane Doe, Loan Officer, 15 years of 504 experience

Screening, packaging, and processing (75%)

Servicing (25%)

- ii. If the individual is contributed by a non-profit affiliate, **identify the affiliate** and the approximate time the individual spends on CDC-related activities versus affiliate- related activities

For example:

John Doe, CDC Manager/President of ABC Economic Development Corp.,
15 years of 504 experience

ABC Economic Development Corp. activities (50%)

CDC-related activities (50%)

- iii. If applicable, any CDC office the staff person holds.

3. Contracts – The CDC must provide:

- a. A list of all contracts that require SBA’s prior written approval under 13 CFR 120.824 and that are in effect during the reporting period (with the contract’s termination date), including contracts for:
 - i. Management, marketing, packaging, processing, closing, servicing, or liquidation functions;
 - ii. Independent loan reviews conducted for the CDC by another CDC;
 - iii. Employee benefits (such as retirement and health benefits) for the CDC's staff through a contract under which the contractor and the CDC are deemed co-employees of both the CDC and the contractor; and
 - iv. Legal services in connection with liquidation or litigation.

- b. If the CDC has previously submitted to SBA a fully executed copy of any of the contracts listed above and no changes have been made to the contract, the CDC must provide a statement as part of this report that certifies on behalf of the CDC that the CDC has previously provided a fully executed copy of the contract to SBA, the date that the contract was provided, and the name of the SBA employee to whom the contract was provided. If the CDC has not previously provided SBA with a fully executed copy of the contract, the CDC must provide a copy of the contract with this report. *Contracts that the CDC enters into for accounting, independent loan review (by a non-CDC), IT, or legal services are not required to be submitted for review and approval, except for legal services in connection with loan liquidation or litigation.*

- c. Contracts that have not been previously approved by SBA must be submitted separately to the OFA 504 Loan Program Branch at 504Requests@sba.gov to request review/pre- approval prior to the start of each contract term, as required by SOP 50 10. The submission of a copy of the contract in the CDC’s Annual Report DOES NOT constitute submission of the contract to OFA for review/pre-approval.

4. Affiliations – For affiliations with all other entities, list: the name of the affiliated entity, nature of affiliation, effective date of the affiliation, and identify the provision under 13 CFR 120.820 that permits the affiliation. If no affiliations exist, indicate “none.”
5. Legal - Provide a statement signed by the CDC’s Board Secretary or Legal Counsel that certifies to the following:
 - a. That all changes to the Articles of Incorporation or By-Laws made during the reporting period have been submitted to the CDC’s Lead District Office with the date of the change(s), **or** a signed certification that no changes have been made.
 - b. That the CDC’s Board of Directors and any Loan and Executive Committees are in compliance with SBA regulations governing CDCs; and
 - c. If the CDC is involved in any legal proceeding as a plaintiff or defendant, that SBA has been adequately notified, including: a summary description of any legal proceedings; the date that SBA was notified; and the name of the individual and the SBA office to which the notification was sent, **or, a signed certification that the CDC is not involved in any legal proceedings.**

6. Independent Loan Review Package

CDCs are required by 13 CFR § 120.826 and SOP 50 10 to establish a Board-approved internal control policy, which includes providing for a periodic loan review function to be performed at a minimum of every 2 years (unless otherwise directed by OCRM) by a person who is not directly or indirectly responsible for the functions being reviewed, such as loan making or loan servicing, or by a contractor.

The CDC may contract for independent loan review services without SBA’s prior approval, except that the CDC must obtain SBA’s prior written approval of the contract if the review will be conducted by another CDC. CDCs must include an Independent Loan Review Package in the Annual Report which evidences, at a minimum:

- a. A copy of the Engagement Letter from the Reviewer (if performed by an outside contractor).
 - b. A copy of the completed Independent Loan Review Report which follows the content and reporting guidelines set forth in the Independent Loan Review Guide, and includes:
 - i. A description of the individuals conducting the review, demonstrating their independence from the function they are responsible to review (if conducted internally);
 - ii. The loan selection methodology or criteria used for the sample; and
 - iii. A copy of the checklist that was used in the loan review.
- and
- c. Evidence that the Board of Directors acknowledged receipt of the results of the Independent Loan Review Report and approved the CDC Management’s plan to remedy the findings from the loan review.

7. Ownership and Control.

- a. For-profit CDCs. Under 13 CFR 120.818(b), no person or entity can own or control more than 25 percent of a for-profit CDC's stock. Each for-profit CDC must provide a list of each owner of stock, the percentage of ownership, and the date that the stock was acquired. If the CDC has previously submitted this information to SBA in a prior Annual Report and there have been no changes, the CDC does not need to resubmit the information, but must indicate in which Annual Report the information was previously provided and must also state that there are no changes in stock ownership to report.
- b. Non-profit CDCs. Under 13 CFR 120.816(d), if a non-profit CDC has a membership and the members are responsible for electing or appointing voting directors to the CDC's Board of Directors, no person or entity can control more than 25 percent of the CDC's voting membership. If the CDC's members are responsible for electing or appointing voting directors to the CDC's Board of Directors, the CDC must provide a list that identifies each member and the entity that the member represents or indicate that the member is serving in their individual capacity. If the CDC has previously submitted this information to SBA in a prior Annual Report and there have been no changes, the CDC does not need to resubmit the information, but must indicate in which Annual Report the information was previously provided and must also state that there are no changes in membership to report.

TAB 3. Financial Report

13 CFR § 120.830 contains the requirements for a CDC's annual Financial Report. **CDCs are responsible for reviewing this regulation to ensure compliance.** The following is a summary of the financial reporting requirements.

1. Level of review
 - a. For CDCs with a 504 loan portfolio balance of \$30 million dollars or more (as calculated by SBA), the CDC's Financial Report must include:
 - i. Audited financial statements prepared by an independent certified public accountant (CPA) in accordance with Generally Accepted Accounting Principles; **AND**
 - ii. The auditor's letter to management on internal control weaknesses.
 - b. For CDCs with a 504 loan portfolio balance of less than \$30 million dollars (as calculated by SBA), the CDC's Financial Report must include financial statements **reviewed** by an independent certified public accountant (CPA) in accordance with Generally Accepted Accounting Principles.
2. For all audited or reviewed Financial Reports, refer to 13 CFR § 120.826(c) and (d) for CPA requirements.
3. Affiliates - The CDC's report must include audited or reviewed, as applicable, financial

statements of all CDC subsidiaries and affiliates, as determined by 13 CFR § 121.103.

4. If the CDC's management (through an SBA-approved management waiver) or staff is provided by an affiliate of the CDC, and/or if an affiliate subsidizes the CDC's operations, the CDC must also provide an explanation of the financial relationship of the affiliation and a copy of the financial statements of the affiliate.

5. Contents of Financial Report

The Financial Report must include the following statements:

- a. Audited or reviewed balance Sheet;
- b. Audited or reviewed statement of income (or receipts) and expenses (see below for additional details);
- c. Audited or reviewed statement of source and application of funds;
- d. Such footnotes as are necessary to an understanding of the financial statements;
- e. Evidence of CDC Board's acknowledgement of audited or reviewed financial statements and the auditor's letter on internal control weaknesses;
- f. Federal tax returns for the most recent year, including all schedules (ex. IRS Form 990, IRS Form 1120, Form 480.70); and
- g. 504- Related Income/Expenses
- h. If the Income Statement does not include the following 504-specific income and expense amounts, a **separate listing must be attached that details the following amounts** (For Multi-state CDCs, this listing must be provided for each state):

504-Related Income:

- i. Applicants/Approved Borrowers 504 Loan Deposits
- ii. 504 Processing Fee Income (and the dollar amount of debentures funded)
- iii. 504 Closing Fee Income (excluding CDC attorney's fees)
- iv. 504 Servicing Fee Income
- v. 504 Late Fee Income
- vi. 504 Assumption Fee Income
- vii. 504 Escrow Float Interest Income
- viii. Other 504-Related Income (Identify what these miscellaneous items are)

504-Related Expense:

- i. 504 Marketing, Screening, Packaging and Processing Staff Expense
- ii. 504 Servicing Staff Expense
- iii. 504 Closing Staff Expense (excluding CDC attorney expense)
- iv. CDC Management Staff Expense

- v. Other 504-Related Expense (Identify what these miscellaneous items are)
 - vi. Funds invested in other economic development (for Multi-State CDCs, funds must be invested in economic development in each state in which the funds were generated).
6. 159 Reporting – include:
- a. CDC must provide copies of all SBA Forms 159, Fee Disclosure Form and Compensation Agreements, for all of the CDC’s 504 loans that closed during the fiscal year being reported.
 - b. If copies of the SBA Forms 159 have been uploaded into the Corporate Governance Repository, the CDC must provide a list of the uploaded forms with the Annual Report.
 - c. If the CDC elects not to submit copies of the SBA Forms 159 through the Corporate Governance Repository, the CDC must submit the copies of all of the forms with the Annual Report.
 - d. If no copies of SBA Forms 159 are submitted to SBA either through the Corporate Governance Repository or with the Annual Report, the CDC must include in the Annual Report a statement of no compensation/fees paid.
7. Compliance with insurance requirement. Include copy of full policy binders for D&O and E&O insurance.

TAB 4. Analysis of 504 Employment Impact

1. The report requires a listing of all funded debentures (except debentures that have been accelerated, i.e. placed in liquidation status and required to be repurchased by SBA) by one of two categories:
 - a. Debentures Funded Two or More Years: The actual jobs (as reported by the borrower on the 2 year anniversary of the funding of the debenture) created and/or retained.
 - i. The CDC must collect this information in writing from the borrower on a document signed and dated by an authorized employee of the borrower.
 - ii. The CDC must provide totals for this section. (Include prepaid debentures but NOT debentures that have been accelerated.)
 - b. Debentures Funded Less Than 2 Years: The estimated (as indicated on the loan application) created and/or retained. The CDC must provide totals for this section . (Include prepaid debentures but NOT debentures that have been accelerated.)
2. The report must also contain a summary section that calculates the CDC **Job Creation** and **Job Retention** Average as well as the \$ of Debenture/job.

With respect to Projects that do not involve manufacturing, the CDC must have a **Job Opportunity** average of 1 Job Opportunity created or retained for every \$75,000 of debenture funding; or \$85,000 for Projects located in Special Geographic Areas (Alaska, Hawaii, State-designated enterprise zones, empowerment zones, enterprise communities, labor surplus areas, and Opportunity Zones).

A CDC may choose to separate Projects located in Special Geographic Areas from the remainder of its portfolio for the purpose of calculating the averages.

3. The CDC's report must include a listing of all funded debentures for manufacturing businesses (except debentures that have been accelerated) and the Job Opportunities created or retained in the same format as the non-manufacturing loans described above. Loans to Small Manufacturers must have a Job Opportunity average of 1 Job Opportunity created or retained for every \$120,000 of debenture funding. The report must show the dollar per job average of the manufacturing loans. (Note – these Job Opportunities need not be included in the CDC's overall Job Creation and Retention Average reported in the summary section of the report.)
4. The CDC must report the Job Opportunity information in a table with the following data elements:
 - a. CDC Name
 - b. States Reported
 - c. CDC Fiscal Year Ending
 - d. Debentures Funded Less than 2 Years:
 - i. SBA Loan No. (designate manufacturing projects with a letter "M")
 - ii. Borrower Name
 - iii. Date Funded
 - iv. 504 Approval Amount
 - v. Estimated Jobs Created (as indicated on Application)
 - vi. Estimated Jobs Retained (as indicated on Application)
 - vii. Total Estimated Job Opportunities (add Estimated Jobs Created and Estimated Jobs Retained)
 - viii. Totals for Columns i. through vii. should be reported as follows:
 - a) Total number of loans
 - b) Total 504 Approval Amount
 - c) Total Estimated Jobs Created
 - d) Total Estimated Jobs Retained
 - e) Overall Total Estimated Job Opportunities
 - ix. Totals for Columns i. through vii. should be broken out as follows:
 - a) Other than Manufacturing
 - b) Manufacturing
 - e. Debentures Funded 2 or More Years
 - i. SBA Loan No. (designate manufacturing projects with a letter "M")
 - ii. Borrower Name

- iii. Date Funded
 - iv. 503/504 Approval Amount
 - v. Date of Verification of Actual Job Opportunities (for debentures funded in FY 2015 or later)
 - vi. Actual Jobs Created as Reported on 2 Year Anniversary
 - vii. Actual Jobs Retained as Reported on 2 Year Anniversary
 - viii. Total Actual Job Opportunities (add Actual Jobs Created and Actual Jobs Retained)
 - ix. Difference between Estimated Job Opportunities and Actual Job Opportunities
 - x. Public Policy Loan? Yes or No
 - xi. Totals for Columns i. through ix. should be reported as follows:
 - a) Total number of loans
 - b) Total 503/504 Approval Amount
 - c) Total Actual Jobs Created
 - d) Total Actual Jobs Retained
 - e) Overall Total Actual Job Opportunities
 - f) Total Difference between Estimated Job Opportunities and Actual Job Opportunities
 - xii. Totals for Columns i. through ix. should be broken out as follows:
 - a) Other than Manufacturing
 - b) Manufacturing
- f. Summary Section
- i. Job Opportunities Summary
 - a) Estimated Job Opportunities from Debentures Funded Less than 2 Years
 - i) Other than Manufacturing
 - ii) Manufacturing
 - b) Actual Job Opportunities from Debentures Funded 2 or More Years
 - i) Other than Manufacturing
 - ii) Manufacturing
 - c) Total Job Opportunities to Date
 - i) All Loans
 - ii) Other than Manufacturing
 - iii) Manufacturing

- ii. Debentures Summary
 - a) Sum of Debentures Funded Less than 2 Years
 - i) Other than Manufacturing
 - ii) Manufacturing
 - b) Sum of Debentures Funded 2 Years or More
 - i) Other than Manufacturing
 - ii) Manufacturing
 - c) Overall Sum of Debentures Funded
 - i) All Loans
 - ii) Other than Manufacturing
 - iii) Manufacturing
- iii. Job Creation Average Calculation
 - a) All Loans
 - i) Overall Sum of Debentures Funded (All Loans) divided by Total Job Opportunities (All Loans)
 - b) Other than Manufacturing
 - i) Overall Sum of Debentures Funded (Other than Manufacturing) divided by Total Job Opportunities (Other than Manufacturing)
 - ii) *** Report this number as the Annual Jobs Ratio
 - c) Manufacturing
 - i) Overall Sum of Debentures Funded (Manufacturing) divided by Total Job Opportunities (Manufacturing)

TAB 5. Report on Compensation

1. Provide a copy of the CDC's Executive Compensation policy;
2. Include documentation of the CDC Board of Directors' basis for determining executive compensation;
3. Provide evidence of CDC Board of Directors' review and approval of current executive compensation package;
4. Provide detailed information on all compensation (including salary, bonuses, and expenses) paid within the CDC's most recent tax year for current and former officers, directors, and key employees. (Compensation must be reported for all current and former officers, directors, and key employees even in cases where compensation is less than \$100,000.) Include details of deferred compensation packages where applicable; and
5. Provide detailed information on all compensation (including salary, bonuses, and expenses) paid within the CDC's most recent tax year for current and former employees and independent contractors with total compensation of \$100,000 or more during that

period. Include details of deferred compensation packages where applicable.

Note – Report on Compensation is required. Submission of the IRS Form 990 in Tab 3 may not serve as a substitute for the above listed information.

TAB 6. Certification of Board of Directors

Each Board member must certify annually that he or she “has read and understands the requirements set forth in 13 CFR 120.823”. Certifications must be individually signed and dated by each Board member.