



Background Certification and Disclosure Form – Frequently Asked Questions

Q: Do I really need to fill out these forms?

A: Yes, but it's simple! The Michigan Strategic Fund ("MSF") Background Review Policy requires that the MEDC perform a civil and criminal background review.

To make it easier for applicants, we have provided instructions and examples in the MEDC Instructions for Completing the Background Certification and Disclosure Form. If you have any questions about the forms, email Collin Good (goodc1@michigan.org).

Q: Which Form should I complete?

A: This depends on the type of entity that's working with MEDC.

Form for Publicly Traded Companies:

If the applicant entity is a publicly traded company, use the Form for Publicly Traded Companies.

Use this Form if the applicant company's direct parent company is publicly traded - that is, the applicant company is a wholly-owned subsidiary of the publicly traded company (direct parent owns 100% of applicant).

In the same way, this Form may also be used if the ultimate parent company is publicly traded - a situation where the ultimate parent owns 100% of the direct parent (and the direct parent owns 100% of the applicant company).

Form for Privately Held Companies:

If the applicant entity is a privately held company, this is the Form to use. In addition to the Form, the Supplemental Form for Ownership must be completed for any owner that holds a 20% or greater interest in the applicant - whether that interest is direct or indirect interest.

Direct and indirect interest means a pecuniary, or financial, interest in the entity.

Form for Nonprofit Organizations, Municipalities, and Institutions of Higher Education:

If the applicant entity is a nonprofit organization, the applicant entity may use this Form or the Form for Privately Held Companies. If there are questions as to which Form to use in this instance, please contact Collin Good (goodc1@michigan.org).

If the applicant entity is an institution of higher education or a municipality, this Form can be used. For this purpose, a city or county development authority is considered to be a municipality and can use this Form.

Q: How do I know if the Form is filled out correctly?

A: Generally, the Form will be completed correctly if the information is accurate and the Form's boxes are filled. While it may seem tedious to complete each box, this allows MEDC to review the information provided and complete the background review process in a timely manner.

Q: What if I don't know, or don't have the information asked for on the Form?

A: This commonly happens in two places - the Applicant EIN and an individual's middle name. In situations where there isn't an EIN yet, you may make a note of that in the box - something like "no EIN" will suffice.

If an individual does not have a middle name, or only has a middle initial, you may write in that box "no middle name" or "only initial - "X"" so that it is clear that the individual's information is correctly provided.

Q: Why does MEDC need this information?

A: The MEDC is required by the Michigan Strategic Fund Background Review Policy to perform a background review for certain MEDC programs. The information that the Forms ask for allow MEDC staff to complete this process.

The MSF Background Review Policy can be found in its entirety here: www.michiganbusiness.org/background.

Q: I have some or all of this information already prepared. Can I just submit this to MEDC instead?

A: All applicants should complete the applicant information section at the top of the Form. If some of this information is prepared in a different format, MEDC can accept the information as an attachment to the MEDC Form.

Q: What happens if one or more of the individuals on the Form chooses not to provide the information the Form requires?

A: Without the information the Form asks for, MEDC will be unable to complete the background review. Incentives that require a background review will not be able to proceed without this process, and as a result, the incentive will not be able to move forward.

Q: What if the individuals use different titles, or if the applicant entity doesn't have these officers?

A: We recognize that businesses and organizations are free to choose whatever titles for their officers that works best for their individual needs. In an instance where the titles are not the same as those your company or entity uses, please decide which person in your organization most closely matches that title. If the titles used by your organization are not analogous to the positions listed on the Form, please submit a list of the individuals and their titles as an attachment to the Form, along with the same information - full name, date of birth, address, phone number, and email.

Q: My company is a privately held company. We don't have indirect ownership. How should I complete the Form?

A: If a company has not intentionally disbursed its indirect ownership, the direct and indirect ownership percentages are the same. In cases where the company has distributed its indirect ownership, those owners need to be disclosed to MEDC.

Q: If the company doesn't have owners that hold 20% or more interest in the company, what should I put on the Form?

A: MEDC will perform a background review on only the owners that hold a 20% or greater interest in the applicant company. The company may disclose its ownership to MEDC in any of the following ways:

- Complete the ownership table on the Form, disclosing the name and percentage held of all owners;
- Complete the ownership table on the Form, disclosing the name and percentage held of all 20% or greater interest holders, and including a line in the ownership table stating "no other owner holds a 20% or greater interest";
- Make a note in the ownership table that the ownership breakdown is attached to the Form, and attach your own ownership breakdown to the Form.

Please be sure to include contact information for the applicant entity for MEDC staff to contact the applicant entity with any questions regarding the ownership structure.

Q: Who should I contact if I have additional questions?

A: In addition to these Frequently Asked Questions, more information can be found at michiganbusiness.org/background, including instructions to help complete the Forms and the MSF Background Review Policy. For any questions that remain unanswered, please contact Collin Good (goodc1@michigan.org).