



**STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT**

**REQUEST FOR QUALIFICATIONS (“RFQ”)
TO PARTICIPATE IN EXPENDITURE VERIFICATION REPORT
ENGAGEMENTS FOR THE ENTERTAINMENT PROGRAMS:**

RFQ DUE DATE/TIME:

NOVEMBER 21, 2025 BY 4:00 PM (CST)

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ATTACHMENTS

Attachment "A"	Motion Picture Investor Tax Credit Program Accounting Guidelines
Attachment "B"	Digital Media & Software Tax Credit Program Accounting Guidelines
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1 GENERAL INFORMATION

1.1 Purpose

This Request for Qualifications (RFQ) is issued by LOUISIANA ECONOMIC DEVELOPMENT (LED) for the purpose of obtaining information to assist LED in selecting accounting firms to provide verification reports required for certain entertainment programs administered by LED. These services will be obtained through professional services contracts, which are not required to be competitively awarded through public bid or request for proposal procedures; this is an informal informational procedure. LED will select multiple contractors from firms providing sufficient information for LED to determine them to be capable of performing the required services within the required time frames and budget.

1.2 Scope of Services

LED is seeking professional accounting services needed in connection with the following incentive programs: *Motion Picture Investor* ("Film"), *Digital Media* ("DM"), *Live Performance* ("Live") and *Sound Recording* ("Sound").

LED shall contract with accounting firms **on a per report, as needed, as requested basis**, for the production of an Expenditure Verification Report*, in conformity with applicable program requirements, at a cost not to exceed \$25,000 per project, based upon an hourly rate not to exceed \$225 per hour.

For informational purposes only, current program auditing guidelines may be referred to as an example of the nature and scope of work to be performed, and are attached as Exhibit A, B, C and D. Such guidelines and procedures are subject to change.

Even if a firm is selected by LED, there is no guarantee of the amount of assigned work.

In FY 24, 118 total verification reports were received by LED, broken down by program as follows: Film-40; Digital Media- 50; Live-20; Sound-8. The Live and Sound Programs were recently sunset, with final application due dates of July 1, 2025. Approximately 40 Live and 20 Sound projects remain to be processed. Further specifications for each program are as follows:

Program Name	Statute	Expenditures	Maximum Fee
Motion Picture (Film)	R.S. 47:6007	≤ \$25 million	\$15,000
		> \$25 million	\$25,000
Digital Interactive Media & Software (DM)	R.S. 47:6022	≤ \$1 million	\$15,000
		> \$1 million	\$25,000
Musical & Theatrical Production (Live)	R.S. 47:6034	> \$50,000	\$15,000
Sound Recording (Sound)	R.S. 47:6023	\$10,000- > \$100,000	\$ 7,500*

1.3 Nature of Services-Verification Report*

The accounting shall: a) perform procedures to obtain reasonable assurance about whether financial statements are free of material misstatement caused by error, fraud or illegal acts, b) examine sufficient evidential matter to support any opinions or comments expressed.

The law firm shall: a) prepare an expenditure verification report on the company's claimed expenditures based upon LED procedures and guidelines, b) examine sufficient evidential matter to support any opinions or comments expressed.

The term "verification report" may include any agreed upon procedure, attestation, audit, or other report, as required by statute or LED rule.

1.4 Required Qualifications-General

The participant, if a CPA or CPA firm, must demonstrate they possess an active unrestricted original certified public account license; maintains a current Louisiana certified public account firm permit; actively participates in a Peer Review Program approved by the State Board of Certified Public Accountants of Louisiana; completes eight hours of continuing professional education in approved LED tax credit attestation courses per reporting cycle*; is capable of conducting two levels of review within the CPA firm or, if not within the firm, then through a cooperative endeavor with another CPA for the review of a verification report prior to its issuance.

CPA may contract with LED for general accounting services, but will be expected to perform a conflicts check prior to acceptance of any requested assignment, and LED may not select a CPA to perform a verification report if a CPA has performed (or whose CPA firm or an affiliate of the CPA or the CPA firm has performed) any other services relating to that project (including all attest and non-attestation services, e.g. identification and quantification analysis, quantified benefits projection, application preparation).

2 RFQ INFORMATION

In order to consider your firm, we ask that your RFQ include all of the following information:

2.1.1 Company Information

Interested parties should submit: physical and mailing address, telephone and fax numbers, e-mail address and website. Indicate whether your firm is local, regional, or national. Will you use third parties for any of the services provided under this Contract? If yes, whom?

2.2 Experience and Qualifications of Proposed Staff and Executive Summary

Participant should submit sufficient information to satisfy evaluators that the participant has the appropriate experience and qualifications to perform the scope of services as described herein:

- 1) The written RFQ must specify key individuals who will be on the attestation engagement and indicate their necessary skills and experience. An emphasis will be placed on the qualifications/certifications of the participant's staff and the availability of the staff to handle the numerous engagements. The RFQ should include education, certifications (CPA, CFF, CFE, and CIA), CPE and recent experience of key individuals, with particular reference to their ability to analyze complex transactions and qualifying activities.

- a. The CPA or CPA firm, must demonstrate they possess an active unrestricted original certified public account license; maintains a current Louisiana certified public account firm permit; actively participates in a Peer Review Program approved by the State Board of Certified Public Accountants of Louisiana; completes eight hours of continuing professional education in an approved LED tax credit attestation courses per reporting cycle; is capable of conducting two levels of review within the CPA firm or, if not within the firm, then through a cooperative endeavor with another CPA for the review of a verification report prior to its issuance.
- 2) The participant should clearly document specific examples where the firm has provided attestation engagements or services as prescribed involving the designated incentive programs.
- 3) Brief statement (no more than 200 words) of why the participant feels it should be considered and should summarize the unique value their proposed firm would add to the engagement.

2.3 LED Program Selection

The RFQ must include a list of the LED programs that the CPA or CPA firm is willing to provide the verification report services requested under this RFQ.

2.4 Cost Information

The RFQ must include an hourly rate schedule-one hourly rate for partner/manager and one hourly rate for support for each staff role as well as a blended rate not to exceed \$225 per hour.

2.5 Billing and Payment

Contractor's hourly rates will be inclusive of all work performed for services and related costs, including all overhead, costs of doing business, use of Contractor equipment and in-house resources. No Contractor charges above the hourly rate or statutory maximum fee per service rendered will be accepted.

3 ADMINISTRATIVE INFORMATION

3.1 Term of Contract

The term of any contract resulting from this RFQ is tentatively scheduled to begin 1/1/2026 for an initial one-year term, with an LED option to extend the term two additional years.

3.2 RFQ Coordinator

This RFQ is available in PDF form at www.louisianaeconomicdevelopment.com/RFQ. All questions regarding the RFQ process must be directed via email to the RFQ Coordinator: LEDRFQ-RFP@la.gov

3.3 RFQ Inquiries

LED will consider written inquiries and requests for clarification regarding the Scope of Services and other substantive matters relating to this RFQ, submitted to the RFQ Coordinator, through 4:00 p.m., CST on 11/14/2025.

Responses and clarifications that may be of value to other participants will be posted at www.louisianaeconomicdevelopment.com/RFQ.

LED reserves the right to modify the RFQ should a need for change be identified. Requests for email notification of such modifications may be made through the RFQ Coordinator.

To be considered by LED, responses to this RFQ must be received by 4:00 p.m., CST, 11/21/2025.

3.4 RFQ Submission

Interested parties shall submit ONE copy of the completed RFQ, signed by an authorized representative of the firm, via email to the RFQ Coordinator: LEDRFQ-RFP@la.gov

3.5 RFQ Consideration

LED reserves the right to reject any and all submitted proposals and to request additional information from any and all proposers.

3.6 RFQ Award

The name(s) of successful proposal(s) will be posted on LED's website.



STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT
Motion Picture
Production Tax Credit
Audit Guidelines

General:

The following guidelines set forth minimum standards for acceptability of the expenditure verification report to be performed:

- The CPA must be a Certified Public Accountant licensed in the state of Louisiana and must be appointed to the production by the Louisiana Department of Economic Development ("LED").
- The auditor's opinion must be addressed to the party that has engaged the auditor, with a copy to LED.
- The auditor's name and city and state where the auditor's firm's report is issued must be evident on the report.
- The auditor's opinion must be dated in accordance with AICPA standards.
- The audit must be performed in accordance with auditing standards generally accepted in the United States of America, as set forth in Generally Accepted Accounting Principles ("GAAP") and Generally Accepted Auditing Standards ("GAAS"). The auditor must have sufficient knowledge of accounting principles and practices generally recognized in the film and television industry.
- The auditor's opinion must contain a statement of acknowledgement by the CPA that the state is relying on the qualifying production expenditure report in the issuance of the tax credits.

Identification of the Production:

- The LED assigned production number and title of the production.
- The period during which the costs were incurred must be disclosed.

Cost Report of Direct Production Expenditures:

- The cost report must be in US dollars.
- Only expenditures that were actually expended for the production can be recorded as production costs. These costs must be charged to the proper budgetary item. Examples of production costs that may qualify for the motion picture tax credit include: (1) set construction and operation, (2) wardrobes, makeup accessories, and related services, (3) costs associated with photography and sound synchronization, lighting, and related services and materials, (4) editing and related services, (5) rental of facilities and equipment, including production worker "box rentals" provided they include an inventory listing and are included in the employee's gross compensation, or payable as a vendor expense and reported on the federal form 1099 and the "box rental" must be utilized on a state-certified production (6) leasing of vehicles, (7) costs of food and lodging, (8) digital or tape editing, film processing, transfer of file to tape or digital format, sound mixing, special and visual effects, (9) payroll (salary, wages, fringe benefits (included in gross income) paid, provided, or rendered to an individual for services, and federal payroll taxes such as the employer's portion of FICA/FUTA), (4) payroll company's handling or processing fee provided that the payroll company has an office in Louisiana with posted/publicized business hours that is staffed by a full-time employee overseeing payroll administration for Louisiana productions, (5) workers' compensation insurance costs to the extent purchased from a source within the state, and other allowable expenditures as determined by rule.

- Refunds and credit notes received for discounts, rebates, invoicing errors, purchase returns and refundable deposits must be credited to the production costs; similarly, proceeds from the sale of props and other production assets must be deducted from the costs presented in the cost report. In cases where props and other production assets are kept in inventory for future productions, they must also be deducted, at fair market value, from the costs presented in the cost report.
- Completion bond expenditures must reflect any "no-claims rebate" received (the amount reported must be net after rebate).
- Amortization of series costs must be allocated to specific cost categories.

Notes to the Cost Report of Production:

Sources of funds

- All sources of funds that were used to finance the production must be disclosed, including any non-monetary transactions that were included in the cost of the production.
- Non-monetary transactions must be disclosed at fair market value. The nature of the services provided and the consideration given in exchange for the services must be disclosed.
- If there were no non-cash transactions, the cost report must include a note to that effect.

Louisiana Yearly Expenditures & Louisiana Employee Payroll

- The notes to the Cost Report of Production Expenditures must provide a breakdown of the amounts spent in each calendar year for both the overall expenditures and the Louisiana employee payroll.

Non-Louisiana Costs

- The notes to the Cost Report of Production Expenditures must provide a breakdown of all non-Louisiana costs and must include the budget item and the amount of the transaction.
- If there are no non-Louisiana costs, the cost report must include a note to that effect.

Accounts Payable, Accrued Charges, and Deferrals

- The amount of accounts payable, accrued charges and deferrals must be presented separately as of the ending date of the cost report.
- If there are no accounts payable, accrued charges or deferrals, the cost report must include a note to that effect.
- Open accounts payable, accrued charges, and deferrals are non-qualifying transactions, and should not be included in the schedule of qualifying costs.

Related Party Transactions – disclosure and identification

According to the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 850, "Parties are considered related when one has the power, through ownership, contractual right, family relationship, or otherwise, to directly or indirectly control or significantly influence the other. Parties are also related when they are under the common control or significant influence of a third party.

Related parties include:

- Affiliates of the entity – A party that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with an entity (e.g., parent companies, subsidiaries, sister companies);
- Investees which, absent the election of the fair value option, would be required to be accounted for by the equity method;
- Trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management;
- Principal owners – owners of record or known beneficial owners of more than 10% of the voting interests of an entity;
- Management – people with authority and responsibility for planning, directing, and controlling the activities of the reporting entity. Management includes members of boards of directors, vice presidents in charge of principal business functions, and other persons who perform similar business functions. If a director or member of management is also a director or another entity, the entities are considered related when they both are under the control or significant influence of that individual;
- Immediate family – any family member who might control or influence a principal owner or member of management, or who might be controlled or influenced by a principal owner or member of management because of a family relationship;
- Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and
- Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

When one entity is economically dependent on another, the entities are not related unless one has the ability to control or exercise significant influence over the other. However, that economic dependence should be disclosed. For example, an entity may be dependent on a lender but, unless that lender has the ability to control or exercise significant influence over the entity because a default has occurred under a loan agreement or otherwise, the lender is not a related party.

Example of related party transactions include those between:

- A parent entity and its subsidiaries;
- Subsidiaries of a common parent;
- An entity and trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of the entity's management;
- An entity and its principal owners, management, or members of their immediate families; and
- Affiliates.

Transactions between related parties commonly occur in the normal course of business. Examples of common transactions with related parties are:

- Sales, purchases and transfers of real and personal property;
- Services received or furnished, such as accounting, management, engineering and legal services;
- Use of property and equipment by lease or otherwise;
- Borrowings, lendings and guarantees;
- Maintenance of compensating bank balances for the benefit of a related party;
- Intra-entity billings based on allocations of common costs; and
- Filings of consolidated tax returns.”

The notes must provide a breakdown of all related party transactions (as defined in GAAS and GAAP), and include the following:

- a. The name of the related party
 - b. The nature of the relationship between the related party and the motion picture production company
 - c. The nature of the transaction, and
 - d. The amount of the transaction.
- For further guidance on defining related parties and applicable procedures that should be considered by the auditor, see AU-C Sec. 550 on related parties.
 - If there are no related party transactions, the cost report must include a note to that effect.

Related Party Transactions – verification of economic substance over form

- GAAS and GAAP require the reporting of the economic substance of transactions regardless of their legal form. The auditor must satisfy himself or herself that any related party relationships and material transactions are properly accounted for and adequately disclosed in the notes. Mere disclosure of related party transactions without further analysis and explanation will be considered insufficient by LED.

Related Party Transactions – project cost accounting and reporting

- Motion Picture Production Companies that enter into transactions with related parties shall report project costs as detailed below, unless LED approves in writing an exception for reporting at market rates.
- The Motion Picture Incentive Program is “project” based; therefore, to the extent that related party motion picture production companies are seeking tax credits for qualifying expenditures, they must capture and report “project” costs and revenues, not just functional expense classifications.
- Full project costing requires the creation and reporting of Labor and Facility/Equipment “charge rates” to properly account for Production company personnel and facility/equipment resources used to create the state certified production, i.e. the “project”.

Related Party Transactions – limitations on certain types of expenditures

I. Services

A. Above the Line (“ATL”) services provided by related parties - 12% limit.

- For productions where above the line services (such as producer, executive producer, actor, director and other ATL services) are provided by a related party, qualifying expenditures for these services are limited to 12% of the total Louisiana production expenditures.

B. Below the Line (BTL); actual compensation

- Where below the line services (such as production services) are provided by a related party, qualifying expenditures are limited to the actual compensation paid by the related party to its employee(s) actually performing the service (including employer-paid benefits), allocated to the production on an hourly basis.

II. Goods (equipment/supplies/studio rental/visual effects packages)

a. Fair Market Value (FMV)

- Where goods are provided by a related party, qualifying expenditures are limited to fair market value, as established through the related party’s historic dealings with unrelated parties, or actual transactions between other unrelated parties, for substantially similar goods. The comparable transactions must be substantially similar, considering the type of goods, the geographic market, and other pertinent variables.

For example:

- The production company has recently acquired the same type of goods in Louisiana at the same price from an unrelated third party;
- The studio-parent of the production company operates an equipment rental house that provided goods to the production company, and also recently provided the same type of goods at the same price to unrelated parties in Louisiana.

b. Internal Cost Recovery Rate (ICRR)

- If FMV cannot be established, qualifying expenditures will be limited to the internal cost recovery rate, consisting of actual acquisition cost, plus ongoing maintenance and upgrade cost, divided by anticipated utilization over the real useful life.

c. Visual effects packages; ICRR or actual compensation

- If FMV cannot be established for visual effects packages, qualifying expenditures will be limited to either (1) ICRR and/or (2) actual compensation paid by the related party employer to its employee(s) actually performing the service (including employer-paid benefits), allocated to the production on an hourly basis. LED will select the methodology it deems most appropriate under the circumstances.

III. Finance Fees / Interest

- No tax credits shall be earned for finance fees, interest, or payments of a similar nature paid to related parties and/or investors in the production (i.e., entities or parties that reap increased financial rewards based on sales, exploitation of the product, or the success in lining up distribution agreements)

IV. Documentation

- Related party transactions must be supported by an audit and documentation as requested by LED, which may include (but is not limited to) third-party contracts, notarized affidavits, tax records, and cancelled checks.

Other Considerations

40% ATL Restriction

For productions initially certified after July 1, 2015 no more than 40% of the eligible production expenditures can be for Above the Line Services, defined as “services such as those of a producer, executive producer, line producer, co-producer, assistant producer, actor, director, casting director, screenwriter, and other services of job positions performed by personnel of the production that are associated with the creative or financial control of a production and customarily considered as above the line services in the film and television industry.”

In the event that Above the Line Services exceed 40% of the Louisiana Expenditures included in the applicant’s cost report the CPA must recalculate the maximum allowable ATL services as follows

$$(\text{Unlimited ATL Expenditures (e.g. ATL travel and living)} + \text{BTL} + \text{Post Production} + \text{Other Charges}) / .6 = \text{Allowable Louisiana Expenditures}$$

$$\text{Allowable Louisiana Expenditures} - \text{Unlimited ATL Expenditures (e.g. ATL travel and living)} + \text{BTL} + \text{Post Production} + \text{Other Charges} = \text{Allowable ATL Services.}$$

Ineligible Expenditures

The following expenditures are ineligible for Motion Picture Investor Tax Credits:

- Airfare
- Bond Fees, unless made to a Louisiana company that has its principal place of business in the state as required by *R.S. 22:1543*. In which case, the expenditures may be allocated only on a pro rata basis, allocating the fees based on the relative percentage of production activity occurring in and out of state.
- Insurance, unless made to a Louisiana resident licensed insurance producer that has its principal place of business in the state as required by *R.S. 22:1543*. In which case, the expenditures may be allocated only on a pro rata basis, allocating the fees based on the relative percentage of production activity occurring in and out of state.

- Finance fees, loan interest, or fees of similar nature paid to investors in the production unless paid to a Louisiana financial institution as defined in R.S. 6:2(8), or a Louisiana Business and Industrial Development Company as defined in and provided for in Chapter 39-B of Title 51 of the Louisiana Revised Statutes of 1950, R.S. 51:2386 et seq., which is regulated by the office of financial institutions and which have one or more offices in the state. In which case, the expenditures may be allocated only on a pro rata basis, allocating the fees based on the relative percentage of production activity occurring in and out of state. In which case, the expenditures may be allocated only on a pro rata basis, allocating the fees based on the relative percentage of production activity occurring in and out of state.
- Other items may be ineligible as determined by state law or rule.

Eligible expenditures

Marketing and promotion expenses shall be a qualifying expense category for certain expenditures made in Louisiana. In order to be eligible these expenditures must be made from the production budget, and not with monies outside of the production budget or expenditures made on behalf of the production. Media buys are ineligible by statute.

Withholding

A withholding fee is required for “any individual receiving any payments for the performance of services used directly in a production activity, which payments shall be claimed as a production expenditure for purposes of certification of tax credits....” This is inclusive of wages, box rentals, and per diems paid to both resident and non-resident loan-out companies, 1099 contractors, and W-2 employees. In order for a payment for services to qualify, excluding any amount that is otherwise not subject to the withholding requirements imposed by federal and state law and regulations, the production shall withhold at a rate determined in accordance with an employee’s withholding allowance certificate, L4 or the highest individual rate in effect at the time if there is no employee withholding allowance certificate, in accordance with guidance by the Louisiana Department of Revenue.

The auditor must perform test procedures to provide reasonable assurance that appropriate amounts were withheld. If withholding did not take place, the expenditures should be disqualified.

Reporting

The audit of the Cost Report of Production Expenditures must be conducted in accordance with auditing standards generally accepted in the United States of America. Once the audit engagement is completed, please submit one copy of the auditor’s opinion to the motion picture production company and one copy to the Office of Entertainment Industry Development. The auditor’s opinion should be accompanied by the Cost Report of Production Expenditures and the Notes to the Cost Report.



STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT
Digital Interactive Media and
Software Tax Credit
Accounting Guidelines

Purpose:

Louisiana Revised Statutes 47:6022 concerns the Louisiana Digital Interactive Media and Software Tax Credit Program ("Program"). In order to document actual qualifying program expenditures incurred by Program participants, the statute requires the Program participant to submit a "Cost Report of Production Expenditures" ("Cost Report"), including a report prepared by an independent Louisiana Certified Public Accountant ("CPA"). The CPA is to comply with the "agreed upon procedures" established by the office of entertainment industry development in the Department of Economic Development ("Department"), and its Secretary. The agreed upon procedures must also be conducted in accordance with the Statements on Standards for Attestation Engagements ("SSAE") established by the American Institute of Certified Public Accountants ("AICPA") and may include a compilation conducted in accordance with the Statements on Standards for Accounting and Review Services Committee of the AICPA. When the CPA completes their agreed upon procedures of the Cost Report, they are to prepare a report in the form of procedures and findings which must be submitted as part of the Cost Report and footnotes to the Department for consideration of tax credit certification.

The required agreed upon procedures relate to engagement acceptance, reporting of the results of the analysis, and the underlying detail analysis of program participant expenditures. The following are minimum procedures that must be completed by the CPA as part of the required analysis; however, the CPA shall perform whatever additional procedures deemed necessary to ensure fair reporting of Program participant expenditures within the intent of the statutes. References to AICPA Professional Standards, SSAE Numbers 18 and 19, or Statements on Auditing Standards, are presented by "AT-C" or "AU-C" section and paragraph numbers, respectively.

A. Conditions for Engagement Performance:

1. The CPA must ensure that conditions required for engagement acceptance have been satisfied. (AT-C 215.10 thru .13 and AT-C 315.09).
2. The CPA must obtain appropriate representations from the responsible party and/or Program participants concerning compliance with requirements of Louisiana Revised Statutes 47:6022 for determining and reporting qualifying Program expenditures. (AT-C 215.27 thru .29 and AT-C 315.25).
3. The CPA must ensure he or she has a sufficient understanding of the specified compliance requirements of Louisiana Revised Statutes 47:6022. (AT-C 315.23 thru .24).
4. No audit, agreed upon procedures report or prepared cost report submitted to the Department for a state-certified production or infrastructure project (motion picture, digital interactive media, sound recording or live performance) must be performed by a CPA who has performed (or whose CPA firm or an affiliate of the CPA or the CPA firm has performed) any other services relating to that production or infrastructure project (including all attest and non-attestation

services, e.g. identification and quantification analysis, quantified benefits projection, application preparation). (AT-C 100.26 thru .30)

B. Reporting Procedures:

1. The CPA must present a written report clearly presenting the agreed upon procedures performed, and their findings over the established threshold for reporting exceptions as listed in the procedures to be performed in relation to the requirements of Louisiana Revised Statute 47:6022. (AT-C 215.24 thru .26, .31 thru .33)
2. The CPA must include in his or her report a detailed explanation of any discrepancy over the established threshold for reporting exceptions as listed in the procedures to be performed between the amounts presented as qualifying Program expenditures by the Program participant and the amounts deemed as qualifying by the CPA. (AT-C 215.24 thru .26)
3. The CPA must include the following specific elements within his or her report (AT-C 315.26) (see Attachment 3 for format):
 - a) A title that includes the word “independent” to clearly indicate that it is the report of an independent accountant
 - b) Identification of the engaging party (the Department)
 - c) Identification of the Program name and participants
 - d) Identification of the subject matter to which the procedures have been applied is the entity’s compliance during a period or as of a point in time
 - e) Identification of the specified requirements (Louisiana Revised Statute 47:6022) against which the Program participant’s compliance was measured or evaluated
 - f) A statement that the Program participant’s compliance with Louisiana Revised Statute 47:6022 is the responsibility of the Program participant’s management
 - g) A Statement that the Department acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement
 - h) A statement that the agreed upon procedures, which are required by the Department, were performed to assist the specified parties in evaluating the Program participant’s compliance with requirements of Louisiana Revised Statute 47:6022
 - i) A statement that the agreed upon procedures engagement was conducted in accordance with attestation standards established by the AICPA
 - j) A Statement that the CPA’s report may not be suitable for any other purpose
 - k) A statement that the procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes
 - l) A statement that an agreed upon procedures engagement involves the CPA firm performing specific procedures that the Department has

agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

- m) A list of the procedures performed (or reference thereto) and related findings, including sufficient details on exceptions found (The CPA firm should not provide a conclusion).
 - n) Where applicable, a description of any agreed upon specified threshold for reporting exceptions
 - o) A statement that the CPA was not engaged to and did not conduct an “examination” or “review” of the Program participant’s compliance with the specified requirements, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements, and a statement that if the CPA had performed additional procedures, other matters might have come to his or her attention that would have been reported
 - p) A statement that the CPA firm does not express such an opinion or conclusion
 - q) A statement that the CPA firm is required to be independent of the Program participant and to meet the CPA firm’s other ethical responsibilities, in accordance with the relevant ethical requirements relating to the agreed upon procedures engagement
 - r) A statement restricting the use of the report to the Department
 - s) Where applicable, reservation or restrictions concerning procedures or findings as discussed in AT-C 215.A60
 - t) Where applicable, a description of the nature of the assistance provided by the CPA firm’s external specialist as discussed in AT-C 215.A28 thru .A30
 - u) The manual or printed signature of the CPA firm
 - v) The city and state where the CPA firm’s report is issued
 - w) The date of the report (The report should be dated no earlier than the date on which the CPA firm completed the procedures and determined the findings, including that the attestation documentation has been reviewed)
4. The Cost Report must present a “Statement of Qualifying Program Expenditures” with sufficient detail to allow an uninformed reader to understand the individual types of expenditures presented and the appropriate amounts determined to be qualifying during the reporting period (**See Attachment 2 for format**).
5. The Cost Report must contain sufficient footnotes to explain all material transactions and operating policies and procedures impacting the determination of qualifying expenditures as presented on the “Statement of Qualifying Program Expenditures”. At a minimum, the footnotes must include:
- a) Responsible Party or Parties – The specific legal entity or entities actually incurring the reported qualifying expenditures must be identified and confirmed as the appropriate Program participant(s).
 - b) Accounting Policies and Procedures - Complete disclosure of the Program participant’s accounting policies and procedures for identifying, segregating, and reporting qualifying Program expenditures within their

accounting books and records. Where qualifying expenditures are based on cost allocations, the procedures and material assumptions used to make those cost allocations must be explained.

- c) Design and Development Period - The criteria used by the Program participant to determine when a project completes its design and development phase and begins its commercial operations phase must be described.
- d) Qualifying Program Expenditures – The statutes and associated rules have established specific criteria in determining qualifying Program production expenditures expended in Louisiana during the reporting period. The Responsible Party's and/or Program participant's understanding of those criteria must be summarized to clearly establish their understanding of qualifying expenditures.
- e) Source of funds - All sources of funds that were used to finance the production must be disclosed, including any non-monetary transactions that were included in the cost of the production. Non-monetary transactions must be disclosed at fair market value. The nature of the services provided, and the consideration given in exchange for the services, must be disclosed. If there were no non-cash transactions, the cost report must include a note to that effect.
- f) Fringe Benefits – Complete disclosure of fringe benefits included in payroll expenditures and procedures and assumptions used to include the expenditures must be explained.
- g) Related Parties – The CPA must specifically address the existence of any related party transactions presented as qualifying expenditures. If none exist, that must be stated clearly. If related party transactions exist, the CPA must ensure that the Program participant has provided sufficient detailed information to meet the related party reporting requirements established by the AICPA (AU-C 550).
- h) Non-Louisiana costs – The CPA must provide a breakdown of all non-Louisiana costs and must include the budget item and the amount of the transaction. If there are no non-Louisiana costs, the cost report must include a note to that effect.
- i) Accounts payable, accrued charges and deferrals – The CPA must present amount of accounts payable, accrued charges and deferrals as of the ending date of the cost report. If there are no accounts payable, accrued charges or deferrals, the cost report must include a note to that effect.

C. Agreed Upon Procedures:

1. The CPA must document in detail the specific accounting policies and procedures established by the Program participant to identify, segment, and report qualifying production related expenditures in Louisiana, as those terms are defined within the statute and rules. The documentation must include the specific Program participant personnel responsible for performing, supervising, and monitoring these policies and procedures.

2. The CPA must design and implement detail analysis procedures to ensure that all reported qualifying Louisiana production expenditures:
 - a) Relate to the design or development of “Digital Interactive Media”, including costs for payroll and component parts as those terms are defined within the Program statutes and rules.
 - b) Were “expended in Louisiana” as that term is defined within the Program statutes and rules.
 - c) Are “Production expenses” as that term is defined within the Program statutes and rules.
 - d) Are for projects still in the design and development phase of their product life cycle.
 - e) Only includes cash or cash equivalent transactions.
 - f) Hard costs for component parts, licenses and equipment may not exceed labor costs. LED establishes a customary expense ratio of 20 percent equipment versus 80 percent labor costs.
3. The CPA must design and implement detail analysis procedures related to reported qualifying Louisiana production labor expenses to ensure that:
 - a) “At will” employees or contract workers paid actually exist, and are “Louisiana residents” as defined by the statute and rules;
 - For applications received on or after March 20, 2022, a resident or resident of Louisiana is defined as a natural person and, for the purposes of determining eligibility for the tax incentives provided by this section, any person domiciled in the state of Louisiana and any other person who maintains a permanent place of abode within the state and spends in the aggregate more than six months of each year within the state. Payments made to employees with an H-1B temporary visa or independent contractors issued 1099 tax forms, shall not be considered payments to Louisiana residents for the purposes of calculating the additional Louisiana resident payroll credit.
 - b) Pay rates used to compute labor expenditures comply with established “at will” employee pay rates for the appropriate class of employee, or agree to contracted rates for contract labor personnel;
 - c) Labor hours used to compute labor expenditures are based on actual hours worked on project design or development as reported in the established labor reporting system of the Program participant, or other record keeping systems established for contract labor personnel, as appropriate;
 - d) Detail procedures of these labor reporting systems are conducted to satisfy the CPA that the data presented by these systems and incorporated within the general books and records of the Program participant, is fairly presented and reliable.
 - e) Labor “burden” amounts for payroll taxes and other fringe benefits are agreed to appropriate established rates by the Program participant, and that

- they only include direct payroll charges, and exclude contingent items, and general business unit or corporate overhead cost items.
- f) Job titles and descriptions are accurate and match corporate HR records.
 - g) Pro-rated C-level executive salaries are only included when applicant has demonstrated that services performed in Louisiana are directly related to the development of the state certified production and do not involve any activities excluded in RS 47:6022 or program rules.
 - h) Labor amounts presented as qualifying expenditures do not duplicate any other LED incentive programs.
 - i) Project management fees are limited to 20 percent of base investment
4. The CPA must design and implement detail analysis procedures related to reported qualifying Louisiana production materials and supplies expenses to ensure that:
- a) Items purchased and associated amounts presented as qualifying expenditures are directly related to project design or development;
 - b) Amounts presented as qualifying expenditures agree to the terms and conditions of their purchase order or other purchase contractual document;
 - c) Amounts presented as qualifying expenditures agree to the underlying books and records of the Program participant for the reporting period;
 - d) Detailed procedures of these underlying books and records are conducted to satisfy the CPA that the data presented by these systems is fairly presented and reliable.
 - e) Amounts presented as qualifying expenditures do not duplicate any other LED incentive programs.
5. The CPA must design and implement detail analysis procedures related to reported qualifying Louisiana production expenditures for component parts to ensure that:
- a) Items purchased and associated amounts presented as qualifying expenditures are directly related to project design or development;
 - b) Items purchased and associated amounts presented as qualifying expenditures are for “component parts” as defined by the statute and rules;
 - c) Amounts presented as qualifying expenditures agree to the terms and conditions of their purchase order or other contractual document;
 - d) Expenditures presented as Sub-contracted software or computer code development only includes development work performed physically in the state of Louisiana and in compliance with the qualifying dates listed in the initial certification letter and do not involve any activities excluded in RS 47:6022 or program rules;
 - e) Amounts presented as qualifying expenditures agree to the underlying books and records of the Program participant for the reporting period;
 - f) Detail testing of these underlying books and records is conducted to satisfy the CPA that the data presented by these systems is fairly presented and reliable.
 - g) Rental expenditures only include allocated space dedicated to development and do not include residential space or general overhead of

the underlying business including but not limited to Internet, telephone, utilities, furniture, and parking.

6. The CPA must design and implement detail analysis procedures related to reported qualifying Louisiana production expenditures to ensure they do not include business unit or corporate indirect costs, general and administrative expenses; amounts subsequently reimbursed by the state or any other governmental entity; costs related to the transfer of tax credits; amounts paid to a person or entities as a result of their participation in profits of the Program participants; the Program application fee; or state or local taxes.
7. The CPA must design and implement detail analysis procedures related to reported qualifying Louisiana production expenditures to ensure that all material “related party transactions” have been identified, and have been subjected to appropriate additional analysis as required by the AICPA (AU-C 550) to ensure that their reported values are equivalent to “arm’s length” transactions, and appropriate footnote disclosures related to these related party relationships and transactions.

Related Party Guidance

According to the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 850, “Parties are considered related when one has the power, through ownership, contractual right, family relationship, or otherwise, to directly or indirectly control or significantly influence the other. Parties are also related when they are under the common control or significant influence of a third party.

Related parties include:

- Affiliates of the entity – A party that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with an entity (e.g., parent companies, subsidiaries, sister companies);
- Investees which, absent the election of the fair value option, would be required to be accounted for by the equity method;
- Trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management;
- Principal owners – owners of record or known beneficial owners of more than 10% of the voting interests of an entity;
- Management – people with authority and responsibility for planning, directing, and controlling the activities of the reporting entity. Management includes members of boards of directors, vice presidents in charge of principal business functions, and other persons who perform similar business functions. If a director or member of management is also a director or another entity, the entities are considered related when they both are under the control or significant influence of that individual;
- Immediate family – any family member who might control or influence a principal owner or member of management, or who might be controlled or influenced by a principal owner or member of management because of a family relationship;
- Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an

extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and

- Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

When one entity is economically dependent on another, the entities are not related unless one has the ability to control or exercise significant influence over the other. However, that economic dependence should be disclosed. For example, an entity may be dependent on a lender but, unless that lender has the ability to control or exercise significant influence over the entity because a default has occurred under a loan agreement or otherwise, the lender is not a related party.

Example of related party transactions include those between:

- A parent entity and its subsidiaries;
- Subsidiaries of a common parent;
- An entity and trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of the entity's management;
- An entity and its principal owners, management, or members of their immediate families; and
- Affiliates.

Transactions between related parties commonly occur in the normal course of business.

Examples of common transactions with related parties are:

- Sales, purchases and transfers of real and personal property;
- Services received or furnished, such as accounting, management, engineering and legal services;
- Use of property and equipment by lease or otherwise;
- Borrowings, lendings and guarantees;
- Maintenance of compensating bank balances for the benefit of a related party;
- Intra-entity billings based on allocations of common costs; and
- Filings of consolidated tax returns."



STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT
Sound Recording Investor Tax Credit
Agreed Upon Procedures

A. Compilation of Cost Report and Disclosures

1. Compile the cost report of production expenditures and related disclosures ("Cost Report") for the Project in the format provided by LED.
2. Obtain the Company's written representations related to the fair presentation of the Cost Report, related disclosures and eligibility of costs included, along with any other representations related to the accuracy of information provided.

B. Payroll Expenditures

1. Based on the total number of Louisiana payroll expenditure transactions in the general ledger detail, determine the number of payroll transactions to sample based on the attached sample selection chart and randomly select the appropriate number of payroll transactions to perform the procedures specified herein. If the population of payroll transactions is smaller than the agreed upon sample size, then select all transactions. If any exceptions are noted during the agreed upon procedures performed, then the sample will be expanded based on the sample selection chart to include additional payroll transactions.
2. For each sampled payroll transaction, inspect the related individual's employment agreement, contract or invoice, as applicable, for evidence of their involvement with the Project. Determine if the description of the individual's duties listed in the employment agreement, contract or invoice, as applicable, meets the definition of eligible production expenditures as described in the program statutes and rules published by LED.
3. For each sampled payroll transaction, compare the pay rate listed on the related artist or musician's employment agreement, contract or invoice to the pay rate used to calculate the artist or musician's gross wages.
4. For each sampled payroll transaction, inspect the related artist or musician's I-9, declaration of residency form, form W-2 or form 1099 for a Louisiana address.
5. For each sampled payroll transaction, agree the amount listed on the general ledger detail to payment support such as the related bank statement, ACH/wire transfer or copy of cleared check.
6. For each sampled payroll transaction, compare the date of the transaction to the Project dates listed in the initial certification letter to determine if the transaction date is within the allowable Project period.
7. For each related party payroll transaction in the general ledger detail, summarize management's determination of the fair value of the amount.
8. For producer fees included in the general ledger detail, recalculate the producer fee payments as a percentage of total qualifying Louisiana production expenditures. Compare the recalculated percentage to LED's benchmark for producer fees of 20% of total qualifying Louisiana production expenditures.
9. For producer fees paid to related parties included in the general ledger detail, recalculate the producer fee payments as a percentage of total qualifying Louisiana

production expenditures. Compare the recalculated percentage to LED's benchmark for related party producer fees of 12% of total qualifying Louisiana production expenditures.

C. Non-Payroll Expenditures

1. Based on the total number of non-payroll Louisiana production expenditure transactions in the general ledger detail, determine the number of transactions to sample based on the attached sample selection chart and randomly select the appropriate number of non-payroll transactions to perform the procedures specified herein. If the population of transactions is smaller than the agreed upon sample size, then select all transactions. If any exceptions are noted during testing, then the sample will be expanded based on the sample selection chart to include additional non-payroll transactions.
2. For each sampled non-payroll transaction, determine if the related vendor has operations within Louisiana by evaluating information from the Louisiana Secretary of State Corporations Database or other publicly available information or address included on a vendor invoice.
3. Compare invoice amount for each selected transaction to purchase order or contract amount.
4. Compare invoice date or services provided date for each transaction selected to the dates listed in the initial certification letter to determine if the transaction date is within the allowable Project period.
5. For each sampled non-payroll transaction, compare the description, date and amount listed on the related invoice to the description and amount listed in the general ledger detail used to compile the Cost Report.
6. For each sampled non-payroll transaction, agree the amount listed on the general ledger detail to payment support.
7. For each selected non-payroll transaction, determine if the nature of the transaction meets the definition of eligible production expenditures as described in the program statutes and rules published by LED.
8. For each related party non-payroll transaction in the general ledger detail, summarize management's determination of the fair value of the amount.
9. For legal fees included in the general ledger detail, recalculate the legal payments as a percentage of the base investment. Compare the recalculated percentage to LED's limitation for legal fees of 10% of the base investment.

D. Source of Funds

1. Obtain accounting records to recalculate the source of funds and amounts disclosed. Select the highest dollar amounts that total an amount equal or above the total expenditures in the Cost Report and trace the selected transactions to supporting bank records.

Sample Selection Chart

Payroll Expenditures:

Related Party Transactions	All related party payroll transactions
Individually Significant	Top 10 payroll transactions
Sample Size for Remaining Payroll Transactions	
1-10 remaining transactions	1
11-25 remaining transactions	5
26-50 remaining transactions	10
51-100 remaining transactions	15
101 or greater remaining transactions	Lesser of 10% of the remaining transactions or 25
Expanded Sample	Increase initial sample size by 20%

Non-Payroll Expenditures:

Related Party Transactions	All related party non-payroll transactions
Individually Significant	Top 10 non-payroll transactions
Sample Size for Remaining Non-Payroll Transactions	
1-10 remaining transactions	1
11-25 remaining transactions	5
26-50 remaining transactions	10
51-100 remaining transactions	15
101 or greater remaining transactions	Lesser of 10% of the remaining transactions or 25
Expanded Sample	Increase initial sample size by 20%

Note: An exception is defined as any irreconcilable absolute value difference that exceeds one percent of the total base investment.



STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT
Musical and Theatrical Production
Income Tax Credit
Agreed Upon Procedures

A. Compilation of Cost Report and Disclosures

1. Compile the cost report of production expenditures and related disclosures ("Cost Report") for the Project in the format provided by LED.
2. Obtain the Company's written representations related to the fair presentation of the Cost Report, related disclosures and eligibility of costs included, along with any other representations related to the accuracy of information provided.

B. Payroll Expenditures

1. Based on the total number of Louisiana payroll expenditure transactions in the general ledger detail, determine the number of payroll transactions to sample based on the attached sample selection chart and randomly select the appropriate number of payroll transactions to perform the procedures specified herein. If the population of payroll transactions is smaller than the agreed upon sample size, then select all transactions. If any exceptions are noted during the agreed upon procedures performed, then the sample will be expanded based on the sample selection chart to include additional payroll transactions.
2. For each sampled payroll transaction, inspect the related employee's/contractor's employment agreement, contract or invoice, as applicable, for evidence of their involvement with the Project. Determine if the description of the employee's/contractor's duties listed in the employment agreement, contract or invoice, as applicable, meets the definition of eligible production expenditures as described in the program statutes and rules published by LED.
3. For each sampled payroll transaction, compare the pay rate listed on the related employee's/contractor's employment agreement, contract or invoice to the pay rate used to calculate the employee's/contractor's gross wages.
4. For each sampled payroll transaction, inspect the related employee's/contractor's I-9, declaration of residency form, form W-2 or form 1099 for a Louisiana address.
5. For each sampled payroll transaction, agree the amount listed on the general ledger detail to payment support such as the related bank statement, ACH/wire transfer or copy of cleared check.
6. For each sampled payroll transaction, compare the date of the transaction to the Project dates listed in the initial certification letter to determine if the transaction date is within the allowable Project period.
7. For each related party payroll transaction in the general ledger detail, summarize management's determination of the fair value of the amount.
8. For artist compensation for non-performance days, such as rehearsals, included in the general ledger detail, recalculate the artist compensation for non-performance days as a percentage of the total base investment for performances in Louisiana.

Compare the recalculated percentage to LED's limitation for artist compensation for non-performance days of 20% of the total base investment for performances in Louisiana.

C. Non-Payroll Expenditures

1. Based on the total number of non-payroll Louisiana production expenditure transactions in the general ledger detail, determine the number of transactions to sample based on the attached sample selection chart and randomly select the appropriate number of non-payroll transactions to perform the procedures specified herein. If the population of transactions is smaller than the agreed upon sample size, then select all transactions. If any exceptions are noted during testing, then the sample will be expanded based on the sample selection chart to include additional non-payroll transactions.
2. For each sampled non-payroll transaction, determine if the related vendor has operations within Louisiana by evaluating information from the Louisiana Secretary of State Corporations Database or other publicly available information or address included on a vendor invoice.
3. Compare invoice amount for each selected transaction to purchase order or contract amount.
4. Compare invoice date or services provided date for each transaction selected to the dates listed in the initial certification letter to determine if the transaction date is within the allowable Project period.
5. For each sampled non-payroll transaction, compare the description, date and amount listed on the related invoice to the description and amount listed in the general ledger detail used to compile the Cost Report.
6. For each sampled non-payroll transaction, agree the amount listed on the general ledger detail to payment support.
7. For each selected non-payroll transaction, determine if the nature of the transaction meets the definition of eligible production expenditures as described in the program statutes and rules published by LED.
8. For each related party non-payroll transaction in the general ledger detail, summarize management's determination of the fair value of the amount.

D. Source of Funds

1. Obtain accounting records to recalculate the source of funds and amounts disclosed. Select the highest dollar amounts that total an amount equal or above the total expenditures in the Cost Report and trace the selected transactions to supporting bank records.

Sample Selection Chart

Payroll Expenditures:

Related Party Transactions	All related party payroll transactions
Individually Significant	Top 10 payroll transactions
Sample Size for Remaining Payroll Transactions	
1-10 remaining transactions	1
11-25 remaining transactions	5
26-50 remaining transactions	10
51-100 remaining transactions	15
101 or greater remaining transactions	Lesser of 10% of the remaining transactions or 25
Expanded Sample	Increase initial sample size by 20%

Non-Payroll Expenditures:

Related Party Transactions	All related party non-payroll transactions
Individually Significant	Top 10 non-payroll transactions
Sample Size for Remaining Non-Payroll Transactions	
1-10 remaining transactions	1
11-25 remaining transactions	5
26-50 remaining transactions	10
51-100 remaining transactions	15
101 or greater remaining transactions	Lesser of 10% of the remaining transactions or 25
Expanded Sample	Increase initial sample size by 20%

Note: An exception is defined as any irreconcilable absolute value difference that exceeds one percent of the total base investment.

PROFESSIONAL SERVICES AGREEMENT

**Between
STATE OF LOUISIANA,
LOUISIANA ECONOMIC DEVELOPMENT
And
CPA FIRM**

Be It Known, that effective as of the 1st day of January, 2026, **Louisiana Economic Development**, IBM Building, 100 North Street, Baton Rouge, LA 70802 (hereinafter sometimes referred to as the "Department", "LED" or "State"), and **CPA FIRM**, [address] (hereinafter sometimes referred to as "CPA" or as "Contractor"), have entered into this Professional Services Agreement (sometimes herein called "agreement" or "contract") under the following terms and conditions.

I. Introduction

In order to serve the public for the purposes hereinafter declared, **Louisiana Economic Development** and **CPA FIRM** have entered into this Professional Services Agreement.

In support of the goals of LED, the Contractor proposes to undertake the programs and projects as described under Section II, "Scope of Services" below to provide necessary services. The State is seeking assistance with professional accounting services needed in connection with the entertainment tax credit programs administered by LED, all on an **as needed, as requested basis**. The CPA/Contractor is willing to assist the State in these endeavors. These services and this contract have a public purpose, and they are in the public interest of the State of Louisiana and its citizens.

II. Scope of Services

The **Goals** of this contract are for CPA to provide LED with professional accounting services which will assist LED in achieving success in the performance of its economic development activities in Louisiana.

The **Objectives** of this contract are for CPA to provide professional accounting services to the State, needed in connection with programs administered by **Louisiana Economic Development**, including but not limited to the following programs: *Digital Media, Motion Picture Production, Live Performance and Sound Recording*, all on an **as needed, as requested basis**.

In connection therewith, CPA agrees to furnish the following professional services:

- 1) CPA shall create and submit to LED **periodic expenditure verification reports**, in conformity with applicable program requirements;
 - a. CPA shall: i) perform procedures to obtain reasonable assurance about whether financial statements are free of material misstatement caused by error, fraud or illegal acts, ii) examine sufficient evidential matter to support any opinions or comments expressed.
 - b. The term "verification report" may include any agreed upon procedure, tax opinion, attestation, audit, or other report, as required by statute or LED rule.
- 2) participate in periodic meetings, telephone calls and conferences, to discuss any concerns or other matters related to LED incentive programs.

Independence.

- 1) CPA will be expected to perform a conflicts check on a per project basis prior to acceptance of any requested assignment, and LED may not select a CPA to perform a verification report if a CPA has performed (or whose CPA firm or an affiliate of the CPA or the CPA firm has performed) any other services relating to that project (including all attest and non-attestation services, e.g. identification and quantification analysis, quantified benefits projection, application preparation).
- 2) **In order to avoid any real or perceived conflicts of interest, CPA shall not represent any other party in any other matter relating to LED's entertainment tax credit programs, unless specifically released from this obligation in writing by LED.**
- 3) For the avoidance of doubt, **LED would consider the following to be a conflict of interest:**
 - i) valuation of any program benefits potentially to be issued by LED;
 - ii) evaluation of the sufficiency or quality of work product of any CPA firm under contract with LED to provide expenditure verification reports for the High Impact Jobs Program or any other statutory incentive program administered by LED, or;
 - iii) **providing business consulting services for companies participating in the above named LED incentive program.**

When appropriate CPA shall provide oral and/or written responses or materials to requests for advice, information and documents; and the performance indicator for these services shall be the provision of a response or document within the time period established at the time of the request.

CPA shall regularly and timely provide to LED copies of written or electronic communications, correspondence, responses, reports, analyses, evaluations, or other pertinent forms, documentation and related materials that either are prepared or received by CPA; and the performance indicator for these services shall be the submission of the communications, correspondence, responses, reports, analyses, evaluations, or other pertinent forms, documentation and related materials in the form prescribed on a timely basis.

III. Deliverables

CPA shall produce and provide to LED:

- (a) the professional accounting services and documentation sought through this agreement, including the related materials described above;
- (b) CPA shall create and submit to LED **periodic verification reports**, in conformity with applicable program requirements;
- (c) *at project completion*, along with submission of CPA's verification or other final report, CPA shall submit **periodic invoices for payment**, describing or itemizing the services provided, to be consistent with the provisions, goals and objectives of this agreement; and after their receipt and approval by LED payments may be made by LED;
- (d) CPA must demonstrate to LED on a periodic basis that:
 - i) they possess an active unrestricted original certified public account license;
 - ii) maintain a current Louisiana certified public account firm permit;
 - iii) they actively participate in a Peer Review Program approved by the State Board of Certified Public Accountants of Louisiana;
 - iv) staff have completed eight hours of continuing professional education in an approved LED tax credit attestation course per reporting cycle;
 - v) they are capable of conducting two levels of review within the CPA firm or, if not within the firm, then through a cooperative endeavor with another CPA for the review of a verification report prior to its issuance.

CPA shall also submit to LED copies of all contracts with outside consultants and service providers relative to this agreement, if any, upon the final execution thereof.

IV. LED's Contract Monitor

The Secretary of LED, or her designee, will designate and may change from time to time, one or more persons on his staff to act as LED's project representative or as the "Contract Monitor" for this project, to provide liaison between the Contractor and LED, and to perform various duties which are specifically provided for in this agreement.

V. Performance Measures

Performance Measures for this contract shall include CPA's timely and successful completion, submission and performance of the following:

- (1) CPA's activities and performance of services in the achievement of and consistent with the provisions, goals and objectives of this agreement.
- (2) CPA's periodic Invoices for services and other materials and documents (as described above) along with any work product being sought and provided through this agreement, consistent with the provisions, goals and objectives of this agreement.

VI. Monitoring Plan

During the term of this agreement, LED's Contract Monitor shall review and analyze CPA's verification reports, as well as its Invoice (or Invoices), to ensure compliance with contract requirements; and shall:

- A. Contact CPA for further detail, information or documentation when necessary; and
- B. Coordinate with LED's fiscal office for payment to CPA, and/or obtaining of any further needed documentation.

CPA shall inform LED of all problems, delays or adverse conditions which will materially affect the ability to provide a verification report as required. Contractor's disclosure shall be accompanied by a statement describing the action taken or contemplated by Contractor, and any assistance which may be needed to resolve the situation.

VII. Maximum Fee / Allocated Amount

The applicant shall be responsible for and assessed the actual cost of the verification report, in accordance with La. R.S. 36:104.1. The **per project** cost to LED shall be based upon an hourly rate not to exceed **\$225 per hour** and shall not exceed:

Program Name	Expenditures	Maximum Fee	Comments
Motion Picture (Film)	≤ \$25 million	\$15,000	
	> \$25 million	\$25,000	
Digital Interactive Media & Software (DM)	≤ \$1 million	\$15,000	
	> \$1 million	\$25,000	
Musical & Theatrical Production (Live)	> \$50,000	\$15,000	
Sound Recording (Sound)	\$5,000- \$50,000	\$ 5,000*	Projects under \$15,000 may be subject to a lower fee of \$1500 , as agreed to between the parties on a case by case basis.

The **total** cost to LED for the accounting services contemplated by this agreement shall not exceed the sum of **X DOLLARS (\$X)**, which total sum shall be inclusive of all fees, costs and expenses to be paid by LED in connection with the services to be provided under this agreement. The total billings for all services and expenses covered by this agreement shall not exceed the total amount stated above. This is the total sum that has been allocated for this project by LED. Any payments/reimbursements which may be due under this agreement will be allowed only for charges/expenditures occurring between and including the dates of **January 1, 2026**, and **December 31, 2026**, and all of Contractor's services shall be completed by that date.

VIII. Payment Terms

In consideration of the professional services to be provided as described above, and provided progress and/or completion of CPA's services are to the reasonable satisfaction of LED, payment of fees not to exceed the sum stated above shall be made to CPA by LED. Verification reports shall not exceed the maximum statutory fee listed above, based upon **an hourly blended rate not to exceed \$225 per hour**, in accordance with the hourly rates set forth in **Exhibit A**, which is made a part hereof by this reference.

CPA's Invoices shall describe or itemize all the services provided during the previous period covered by the Invoice, with specific reference to the project and nature of the work performed (e.g. research, review of files, etc.), listing time by date for the work performed by hour, the time spent to the quarter of an hour, and the rate applied to the service; however, CPA may not charge a fee for the preparation or processing of CPA's Invoices. CPA's Invoices for services shall be submitted to the State (to LED's Contract Monitor) for review and approval. CPA's submission of each such Invoice shall constitute a certification from CPA that all services required in connection with this contract for the time period reflected in the Invoice have been fully performed and completed justifying the requested payment. The frequency of such periodic Invoices shall be on a project basis, upon project completion.

CPA also agrees to comply with the following instructions when submitting Invoices:

INSTRUCTIONS FOR SUBMITTING INVOICES

At project completion, along with submission of CPA's verification or other final report, an itemization of all work performed, listing time by date for work performed by hours, down to the quarter of an hour with specific reference to the nature of the work performed (e.g. drafting of expert reports, research, review of files, etc.) should be invoiced to Louisiana Economic Development.

Reimbursement for all expenses must have receipts or documentation attached to the invoices or reimbursement will not be made. Some examples of the receipts or documentation that will be accepted are given below:

1. Telephone expenses - a copy of the telephone bill indicating the telephone calls made in reference to the contract. A listing of telephone billings on the invoice with the original kept by CPA for review by the State.
2. Express Mail - a copy of the invoice from the vendor.
3. Travel expenses - purpose of the trip, miles traveled or airline ticket receipt, parking receipts, taxi receipts, hotel receipts (credit card receipt will not be accepted).
4. Photocopying - number of copies and the amount per copy or if outside photocopying is utilized a receipt must be included.

CPA shall be reimbursed for out-of-pocket expenses only in accordance with and limited by the regulations issued from time to time by the Division of Administration. Travel time, at the direction and for the convenience of the State, is billable as services if done during normal working hours and if it does not cause service charges for that to exceed eight (8) hours. Travel expenses, if any, shall be

reimbursed only in the event that this agreement provides for such reimbursement, such travel expenses are included in the Contractor's approved compensation, or allocated amount, and then only in accordance with and limited by Division of Administration Policy and Procedure Memorandum No. 49. Invoices and/or receipts for any reimbursable expenses or travel expenses must be provided to LED or attached to periodic Invoices for reimbursement.

IX. Contract Term

This contract shall begin as of **January 1, 2026** and this contract shall terminate on **December 31, 2026**, unless amended and extended in writing, approved and signed by all parties.

X. Tax Liability

Contractor hereby agrees that the responsibility for the payment of any taxes due as a result of the funds received under this contract shall be Contractor's obligation, identified under Contractor's Federal Tax Identification Number and Louisiana Department of Revenue (LDR) Account Number, each of which have been provided to LED.

In accordance with R.S. 39:1624(A)(10), LDR must determine that the prospective contractor is current in the filing of all applicable tax returns and reports and in payment of all taxes, interest, penalties, and fees owed to the state and collected by LDR prior to the approval of this contract by LED, and the Office of State Procurement if applicable. The prospective contractor hereby attests to its current and/or prospective compliance, and agrees to provide its seven-digit LDR Account Number to the contracting agency so that the prospective contractor's tax payment compliance status may be verified. The prospective contractor further acknowledges understanding that issuance of a tax clearance certificate by the LDR is a necessary precondition to the approval and effectiveness of this contract. The contracting agency reserves the right to withdraw its consent to this contract without penalty and proceed with alternate arrangements should the vendor fail to resolve any identified apparent outstanding tax compliance discrepancies with LDR within seven (7) days of such notification.

The Contractor agrees that all applicable taxes are included in the pricing schedule set forth in the Exhibit A to this Contract. State agencies are exempt from all State and local sales and use taxes.

XI. Termination for Convenience

Either party may terminate this agreement at any time by giving thirty (30) days written notice. The State may amend this agreement due to budgetary reductions or changes in funding priorities by the State upon giving thirty (30) days written notice.

XII. Termination for Cause

The State may terminate this agreement for cause based upon the failure of the Contractor to comply with the terms and/or conditions of this agreement, provided that the State shall give Contractor written notice specifying Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in a case which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place the Contractor in default and this agreement shall terminate on the date specified in such notice. The Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this agreement; provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the State to cure the defect.

XIII. Remedies for Default

Any claim or controversy arising out of this agreement shall be resolved under the provisions of LSA – R.S. 39:1672.1 through 1672.4.

In the event the Contractor defaults on this agreement, breaches the terms of this agreement, ceases to do business or ceases to do business in Louisiana during the term of this agreement, this agreement shall be terminated as provided in Section XII above, and within thirty (30) days of such termination the Contractor shall repay to the State the amount of all funds disbursed to the Contractor under this agreement for services not yet performed, not yet completed, not satisfactorily performed or completed, or for documents or controversies which have not yet been resolved.

XIV. Ownership of Materials

All records, reports, documents and other materials delivered or transmitted to Contractor by the State shall remain the property of the State, and shall, upon request, be returned by Contractor to the State, at Contractor's expense, at the termination or expiration of this agreement. All records, reports, documents, or other materials related to this agreement and/or obtained, prepared or produced by Contractor in connection with the performance of the services contracted for herein shall become the property of the State, and shall, upon request, be delivered or returned by Contractor to the State, at the Contractor's expense, at the termination or expiration of this agreement.

XV. Assignment of Interest

Contractor shall not assign any interest in this agreement and shall not transfer any interest in same (whether by assignment, novation or otherwise), without the prior written consent of the State; provided however, that claims for money due or to become due to Contractor from the State may be assigned to a bank, trust company, or other financial institution without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State. The State shall in all cases pay only the Contractor for services provided; and the Contractor shall directly pay any assignments out of any payments received from the State.

XVI. Audits and Auditors; Department of Justice

It is hereby agreed that the Legislative Auditor of the State of Louisiana, and/or the Office of the Governor, Division of Administration auditors, the Louisiana Department of Justice, and/or the LED auditor shall have the option of auditing all records and accounts of the Contractor that relate to this agreement, as well as all contracts with outside consultants and service providers relative to the performance of services under this agreement.

XVII. Fiscal Funding

The continuation of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the Louisiana legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of this contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, this contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

XVIII. Public Liability

Contractor hereby agrees to protect, defend, indemnify, save and hold harmless the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees, including volunteers, from and against any and all claims, demands, expenses and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of Contractor, its agents, servants, and employees or any and all costs, expenses and/or attorney fees incurred by Contractor as a result

of any claims, demands and/or causes of action except for those claims, demands, and/or causes of action arising out of the negligence of the State of Louisiana, its State Departments, Agencies, Boards and Commissions, its agents, representatives, and/or employees. Contractor agrees to investigate, handle, respond to, provide defense for and defend any such claims, demands, or suit at its sole expense and agrees to bear all other costs and expenses related thereto, even if it (claims, etc.) is groundless, false or fraudulent.

XIX. State Liability

The State's liability under this agreement shall be limited to the dollar amount of the agreed compensation or allocated amount shown in this agreement; and the State shall not in any way be responsible for any additional monetary sums or for any actual, general, special, compensatory, consequential, punitive, pecuniary or plenary damages, any interest, attorney's fees, or for any other or additional claims whatsoever which may be made by any party to this agreement.

XX. Non-Discrimination Clause

Contractor agrees to abide by the requirements of the following as amended and as applicable: Title VI and Title VII of the Civil Rights Act of 1964; Equal Opportunity Act of 1972; Federal Executive Order 11246; Federal Rehabilitation Act of 1973; Vietnam Era Veteran's Readjustment Assistance Act of 1974; Title IX of the Education Amendments of 1972; Age Discrimination Act of 1975; Fair Housing Act of 1968; and Americans with Disabilities Act of 1990. Contractor agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, disability, or age in any matter relating to employment. Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement.

XXI. Prohibition of Discriminatory Boycotts of Israel

In accordance with La. R.S. 39:1602.1, effective May 22, 2018, for any contract for \$100,000 or more and for any contractor with five or more employees, Contractor, or any Subcontractor, shall certify it is not engaging in a boycott of Israel, and shall, for the duration of this contract, refrain from a boycott of Israel.

The State reserves the right to terminate this contract if the Contractor, or any Subcontractor, engages in a boycott of Israel during the term of the contract.

XXII. Prohibition of Companies that Discriminate Against Firearm and Ammunition Industries

In accordance with La. R.S. 38:2216.1, the following applies to any competitive sealed bids, competitive sealed proposals, or contract(s) with a value of \$100,000 or more involving a for-profit company with at least fifty full-time employees:

Unless otherwise exempted by law, by submitting a response to this solicitation or entering into this contract, the Bidder, Proposer or Contractor certifies the following:

1. The company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association based solely on the entity's or association's status as a firearm entity or firearm trade association;
2. The company will not discriminate against a firearm entity or firearm trade association during the term of the contract based solely on the entity's or association's status as a firearm entity or firearm trade association.

The State reserves the right to reject the response of the Bidder, Proposer or Contractor if this certification is subsequently determined to be false, and to terminate any contract awarded based on such a false response or if the certification is no longer true.

XXIII. Headings

The Section "Headings" and paragraphs and their numerical and alphabetical notations, for the purpose of this agreement, are solely for the ease of reference.

XXIV. Notice of Insufficiency

It is the responsibility of the Contractor to advise LED in advance if contract funds or contract terms may be insufficient to complete contract objectives.

XXV. Choice of Law; Conflicts of Interest; Code of Ethics

This is a Louisiana contract and all of its terms shall be construed in accordance with and all disputes shall be governed by the laws of the State of Louisiana, of the United States of America; and all parties submit themselves to the jurisdiction of the Courts located in the Parish of East Baton Rouge, in the State of Louisiana, in the event of any legal proceedings in connection with this contract.

Contractor warrants that Contractor and Contractor's representatives are familiar with and will comply with all applicable laws of the State of Louisiana. By accepting this engagement the Contractor is agreeing to work for and provide services to or for LED, and thereby subjects Contractor's firm and employees to the Laws of the State of Louisiana, including particularly, but not limited to, State laws relating to Conflicts of Interest, as well as the State Code of Governmental Ethics which applies to the Contractor in the performance of services called for under this contract. The Contractor agrees to immediately notify the State if potential conflicts of interest or violations of the State Code of Governmental Ethics arise at any time during the term of this agreement.

XXVI. Ambiguous Terms

Any rule of construction of contracts that provides that ambiguous terms are construed against the drafter of the contract are not applicable to this contract or any amendment to this contract.

XXVII. Separate Counterparts

This contract may be executed in several counterparts, each of which shall be deemed an original, and all of which when taken together shall be deemed one and the same contract.

XXIII. Electronic Transaction; Electronic Signatures

In accordance with LA. R.S. 9:2605B(1)&(2), the Parties hereto each agree that this transaction may be conducted by electronic means; and electronic signatures of the Parties to this Agreement shall be acceptable and satisfactory for all legal purposes; as authorized by the "Louisiana Uniform Electronic Transactions Act", LA. R.S. 9:2601 through 9:2621.

XXIX. Entire Agreement

This agreement, together with any exhibits and/or attachments specifically incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter of this agreement.

Thus done and signed by the Parties hereto:

CPA FIRM, CONTRACTOR

By: _____
Signature of Authorized Representative (Date)

Printed Name: _____

Title: _____

LOUISIANA ECONOMIC DEVELOPMENT (LED)

By: _____
Signature (Date)

Printed Name: Kathy Blankenship

Title: Deputy Undersecretary

LED CONTRACT MONITOR:

Signature

Printed Name: Christina Smith

Title: Executive Director of Operations

Professional services agreement: LED & CPA FIRM (January 1, 2026)

DRAFT EXAMPLE - Exhibit "A"

Hourly billing rates by staff level:

Director	\$250-300
Manager	\$200-250
Supervisors & Seniors	\$150-200
Staff	\$100-150

Or alternatively:

CPA – Hourly billing rates by staff level:

All staff levels	\$225
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