



## ECD AFI Automated Application for Business Tax Incentives

The State of Tennessee  
Department of Finance and Administration  
Division of Strategic Technology Solutions

**NASCIO Award Category: Digital Services – Government to Business**

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Strategic  
Technology Solutions

## Executive Summary

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Bringing businesses into the state from all around the globe is a wonderful way to diversify the economic community and increase job opportunities for Tennesseans.

The Tennessee Department of Economic and Community Development (TNECD) was tasked with enhancing the process of bringing new businesses and jobs to the State, and also broadening the audience of prospective businesses.

One of the keys to enticing an organization to bring jobs to a new community is the opportunity to apply for tax incentives. The previous application process utilized Adobe PDFs, but not all international businesses utilize or have access to Adobe products. The new, automated application can be used anywhere, by anyone.

The TNECD Application for Incentives (AFI) Automated Application for Business Tax Incentives, implemented through this project, has streamlined this process, bringing new, significant efficiencies. TNECD is very excited about the enhancements this new, streamlined application has already brought, and will continue to bring, to the great State of Tennessee!

## Concept

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### Business Problem

The Tennessee Department of Economic and Community Development (TNECD) is tasked with bringing businesses from all over the world to relocate to the state. Part of the process of bringing businesses to Tennessee is to offer incentives. The Application for Incentive (AFI) is the first step in applying for one of the three different FastTrack grants. The previous application process consisted of a fillable PDF, approximately 20 pages long and could take months for companies, communities, and ECD consultants to complete. Typically, the PDF was passed around the office, leading to versioning issues that were difficult to track. In addition, some foreign-based companies did not use Adobe and were not able to complete the application.

### Project Goal

The focus of this project was to streamline the Application for Incentive (AFI) application process into an online system to attract more businesses to the State of Tennessee. This would directly impact the job requirements of TNECD business development staff.

Replacing AFI with a fully functional online system would allow the TNECD user and prospective businesses a more efficient process for applying for and receiving incentives from the State of Tennessee.

The main strategy of the project was to capture data from companies and use in reporting to recruit additional businesses. Capturing the data and reporting was imperative to streamline the FastTrack process to recruit quickly and provide more jobs to the state. The AFI application must be completed in order to be considered for one of the three grants below.

### **1. FastTrack Economic Development Fund**

- The Economic Development Fund grant can offset costs which companies incur when expanding or locating a business operation in Tennessee with reimbursable grants made to local governing bodies.
- The costs can be offset in a variety of ways, including retrofitting a building, acquiring real property, relocation of equipment, and other expenditures not otherwise eligible under the FastTrack Infrastructure Program or Job Training Assistance Program.
- The grant is only used in exceptional cases where the impact of the company on a given community is significant.

### **2. FastTrack Job Training Assistance Program**





- The Job Training Assistance grant assists new or expanding companies with funding to support the training of net new full-time employees.

### **3. FastTrack Infrastructure Development Program**

- The Infrastructure Development grants made to local governing bodies for public infrastructure improvements must be for specific infrastructure projects benefiting one or more companies committed to creating new jobs and/or making new capital investments.
- The grant covers infrastructure such as rail, public roadway, port, airport, site, water, sewer, gas and telecommunication improvements.
- Local matching funds are required based on a community's ability to pay.
- A Payment In Lieu Of Tax (PILOT) is required for at least five years on real property.

### Project Scope

A project management waterfall methodology was utilized. The Application for Incentive (AFI) project created a contemporary version of the AFI business processes via an online portal. The project involved moving all fields from the previous AFI system into the new portal which interfaces with ECD’s Customer Relationship Management (CRM) business system. AFI is supported and maintained by Strategic Technology Systems (STS). The scope of the initiative included the following areas.

	<b>Integrate Process</b> Create a complete online integrated process.
	<b>Streamline Delivery</b> Streamline the delivery of the entire application, forms, and contract process.
	<b>Enhance Data Integrity</b> Enhance data integrity for all transaction and submissions.
	<b>Improve Completion and Submission Time</b> Track and improve the completion and submission time period.

TNECD’s primary enterprise management system is Microsoft Dynamics Customer Relationship Management (CRM) software. The implementation of a process to integrate the AFI application for companies and communities with CRM simplified the process and ensured the submitted data was accurate throughout the entire process. This required external web applications, internal data elements, process workflows, and reports.

The project was the best solution due to the scalability with Model View Controller (MVC) (programming language used with architectures) and the ability to save money by leveraging the existing infrastructure. It was only necessary to write the code for functionality.

The department did not realize any direct cost with the implementation of this project. All STS employees supporting TNECD were able to leverage existing MS CRM licensing. The cost associated with the implementation of this module within CRM resulted primarily as a result of department IT staff time along with business unit staff hours for User Acceptance Testing (UAT).

### **Ongoing Assessment**

During the project, it was impossible to account for every variable. AFI is a living, breathing system. The requirements change frequently, and future enhancements were made.

### **Significance**

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The Application for Incentive project (AFI) is a contemporary IT business system. Before, TNECD used outdated technology and methodologies in attempt to create this system, which subsequently failed.

The AFI system allows businesses to create and manage their accounts which allows for key information to remain current. Data integrity had historically been an issue for ECD as many people had access to create and modify company information. AFI has placed that responsibility exclusively with the businesses. The AFI system has created a forum between businesses and ECD to have instant feedback and interaction, which previously could take weeks and sometimes months to accomplish successfully. This has caused communications to become much more efficient and is estimated to have cut email traffic between businesses and ECD down by 33%. Feedback from business using AFI has been very positive.

The AFI project was innovative because it provided ECD with current best practices and the review and update of associated internal processes. Collaboration between STS and TNECD made the effort successful; collaboration and formal project management was the driving force behind the success of the project.

## Impact

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### Benefits

TNECD expects this implementation to offer significant benefits to businesses and the department. The department has already achieved benefits of this implementation.



#### Data Cleansing

Data cleansing is simple for the Center for Economic Research in Tennessee (CERT) the TNECD Analytics team.



#### User Adoption

External/Internal user adoption of the online process is simplified.



#### Reduced time period

Reduced time period for delivery and return of submissions.



#### Data Integrity

Increased data integrity resulting from the online process.



#### Reduction in Paper

Reduction of paper documents.



#### Five Year Cycle

The AFI system will operate on a five-year cycle for new businesses/expanding businesses for the state.