

**Guide to
PREPARING YOUTH FOR ADULTHOOD and HOUSING SUBSIDY
For Youth with a Goal of Independent Living or Reunification
Effective July 1, 2011**



**Michael R. Bloomberg, Mayor
John B. Mattingly, Commissioner**

**PREPARING YOUTH FOR ADULTHOOD and HOUSING SUBSIDY
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PART 1 - INTRODUCTION AND INSTRUCTIONS ON USE

1.1 GENERAL GUIDELINES

This Fiscal Manual / Guide contains fiscal policies that your agency must comply with as referred to in your Human Services Contract with the Administration for Children's Services (ACS). The topics included in this Manual include but are not limited to – budget, payment, financial records, reporting, invoicing, allowable use of funds, cost allocation plans, and audits. Agencies should refer to the ACS public website for the most current version of the ACS Fiscal Manual.

PART 2 - BUDGET - PYA

2.1. A. PROGRAM DESIGN

The program narrative should describe the PYA program. It should include but is not limited to:

1. Agency Identifying Information

Include agency name, address, telephone number and extension, and email address for the following staff members:

- Chief Executive Director
- Chief Fiscal Officer
- Person responsible for Youth Development for the agency
- Person completing this plan

2. Program Design

The program methodology should be flexible to account for the varying needs and abilities of the youth in care and must address the items below.

- How will your agency ensure that youth in your care achieve positive outcomes in the six PYA goals? Please include discussion on how you will individualize the needs of the young people you serve?
- How will you work with each young person to assess their strengths and needs?
- How will you work with each young person to create a developmentally appropriate service plan which addresses the needs identified in the assessment? Specifically address each of the following PYA goals:
 - Youth will have permanent connections with caring adults
 - Youth will reside in stable living situations
 - Youth will be afforded opportunities to advance their education and personal development
 - Youth will be encouraged to take increasing responsibility for their work and life decisions, and their positive decisions will be reinforced.
 - Young people's individual needs will be met.
 - Youth will have ongoing support after they age out of foster care
- Describe how you ensure placement on Trial Discharge by age 20 years and 6 months. What community and city resources do you use to ensure this transition? Who do you engage in the process? How do you work with young people to ensure successful transition from Trial Discharge to Final Discharge?
- Describe in detail your agency's discharge planning and aftercare services.
- Please include a discussion on accountability. How will staff be held accountable for working with youth to achieve positive outcomes?
- **Stipend Policy and Procedure** – Stipends must be distributed to all youth who participate in the service plan that they have developed with your staff to address the PYA goals. If the youth is NOT participating in their service plan, the youth should not receive a monthly stipend for the given month. No stipends are to be pro-rated. Minimum per month stipend amounts are as follows:

- Age 16: \$20
- Age 17 \$25
- Age 18 \$30
- Age 19 \$35
- Age 20 \$40

Describe how and under what circumstances stipends are distributed and how you will engage with any young person who is not participating in his/her service plan to promote participation.

- Does your agency have a youth leadership/advocacy program? Please describe the program – who serves on it, length of service, purpose of group, supervision, role in agency, etc. If there is no program in place at this time, what plans, if any, does your agency have to start or become involved in one.
- Do any young people in your agency participate in outside leadership programs such as the Youth Justice Board or NYC Administration for Children's Services' Youth Advisory Board?

3. Organizational Capacity, Staff Training and Development

- Describe the staffing and staffing ratio (caseworker: youth) for your PYA program. Include their qualifications and duties and their Full Time Equivalent (FTE) to the PYA program. (full time/part time status, etc.)
- Describe the training provided to staff regarding PYA and work with adolescents.
 - What type of ongoing training do you provide to staff?
 - How are new staff members oriented to the job?
 - How often is training offered?
- Describe any services you purchase with PYA funds. Include vendor (if consultant, please put consultant's name), and proposed amount of fiscal year 2011 funds to be spent.
- Identify your current and planned community collaborations developed to support the PYA program.
 - For CD's with a Community Partnership Program (CPP), please identify your role with this initiative and any impact it has had with youth in care.

4. Quality Improvement

- Please discuss your agency's method(s) of tracking PYA activities. How and where is PYA information kept? Who is responsible for recording the information?
- Describe mechanisms to track progress towards and achievements of outcomes in PYA.

Below are the PYA Budget guidelines to which agencies are required to adhere. Disallowances may result if agencies do not adhere to the following guidelines:

2.1. B. BUDGET DESIGN

Agencies will be notified of their total budget value. Each agency will submit a budget and program narrative describing the programs and/or services they will fund with their PYA budget. ACS will provide agencies with the budget and payment forms. ACS will begin the fiscal year by entering your bottom line budget value into the Child Agency Payment System (CAPS).

2.2 BUDGET VALUE

An agency's bottom line allocation will be based on the capacity multiplied by a \$2,700 per child value. This amount is subject to change based on budget availability. ACS reserves the right to refuse payment of any expenditure which proves non-conforming under the established guidelines or without merit and or benefit to the PYA program. No payment shall be unreasonably withheld.

2.3 GENERAL GUIDELINES

2.3.1 Attestation - All agencies must sign an attestation that they will adhere to the guidelines set forth in this document. No budget will be approved without a signed attestation.

2.3.2 Expense Items

Personnel Services: ACS expects all agencies to pay their employees on a timely basis and at fair and competitive salaries. ACS Program expects to be informed in writing if a timely payment cannot be made.

Fringe Benefits: Fringe rates should be consistent with an agency's other ACS program budgets. Unless justified, and given pre-approval fringe rates should not exceed 26%. ACS expects that agencies are making the required payments for employee pension contributions, unemployment insurance, disability insurance, worker's compensation, health insurance, and payroll tax.

Consultants: Agencies may hire consultants. ACS expects the agencies to pay their consultants on a timely basis and at fair and competitive salaries.

Administrative Overhead: If you must use any portion of your Stability Initiative for Teens and Permanency Initiative dollars for overhead, please provide written justification. Please ensure that the cost allocation plan that you submit identifies these costs.

Leases: Agencies must maintain a current lease and have it on file.

Program Assets: Agencies must maintain an inventory of all equipment, furniture and supplies purchased with ACS funds, and have it on file.

Liability Insurance: Agencies must maintain current liability insurance and have the policy on file.

Other Than Personnel Services (OTPS): These are expenses that are necessary for the direct operation of the program; this does not include overhead expenses. OTPS items include supplies, telephones, fax machines, etc.

THE FOLLOWING IS A LIST OF NON ALLOWABLE OTPS ITEMS:

1. Any services not necessarily and actually incurred in the performance of the program.
2. Purchase of real property.
3. Cost of meals for employees, except in travel status or except as otherwise specifically authorized by ACS.
4. Payment to any profit-making firm, company, association, corporation or organization in which a member of the Board of Directors of the Contractor or a member of his/her immediate family has any ownership or control or financial interest. For the purposes of this paragraph "**ownership**" means ownership of more than three percent (3%) of the assets, stock, bonds or other dividend or interest-bearing securities, and "**control**" means being a member of the Board of Directors or other governing body, or an officer.
5. Any expense incurred for travel in excess of travel expenses allowable under the Contractor's travel guidelines.
6. Any expense which violates any provision of the contract.
7. Loans to employees, board members and officers

2.3.3 Budget Approval - Both ACS Budget and Program offices must approve all budgets and program justifications.

2.3.4 Budget Changes - Both ACS Budget and Program offices must approve all changes to the budgets and program justifications.

2.3.5 Cost Allocation Plan - Agencies should fairly and accurately allocate costs between Children's Services programs. The allocation method must be based on expense type (square footage for space cost, full time equivalent (FTE) or working hours for personnel costs, etc.). For each such employee, providers must show the current salaries, all sources of their funding, whether from Children's Services contract or another City, State, Federal or private source, the dollar amount of funding from each such source. Allocation of cost among programs should be documented. Agencies should describe how costs will be allocated among programs for shared operating expenses such as rent, electricity, or telephones. Agencies must maintain a yearly cost allocation plan on file.

2.4 BUDGET SUBMISSION

Please send one copy of the completed package to:

**ACS Director, Budget Analysis and Management
Financial Services
NYC Administration for Children's Services
150 William Street, 10th floor
New York, NY 10038**

PART 3 - FINANCIAL RECORDS AND INTERNAL CONTROLS - PYA

3.1 REIMBURSEMENT OF ACTUAL EXPENDITURES/RECONCILIATION

Expenses for the purchase of goods and services are reported based on actual cash disbursements made by your program. For example, reimbursement requests for expenses such as consultants, vocational training, and academic support must be based upon actual expenditures, not upon estimated costs per employee or participant. The ORIGINAL Monthly Expense Report, the Child-Specific Schedules, and the Summary Child Specific Schedules are all needed for Children's Services Payment Services to process your reimbursement. Children's Services Payment Services will not reimburse expenses that exceed the overall Budget Plan. Children's Services will reconcile with the agencies, on an as-needed basis.

Agencies will not be required to submit a roster when submitting monthly claims, but as part of the monthly reimbursement request, agencies must attest that the claims being submitted are for youth who are in an agency's care. ACS will provide the agencies with the proper reimbursement request form. Each claim is to reflect the number of youth in a particular age group and the corresponding rate of claim for that group (as per the PYA Monthly Expense Report).

If a youth's birthday falls on or before the 15th of any given month, the higher stipend rate would apply for said month.

If a youth transfers agencies before the 15th day of a given month, the new agency will be allowed to claim the Stipend. If such move occurs after the 15th day of the month, the current agency will claim the Stipend. Those claims can only be made provided the youth participated in their service plan.

3.2 BOOKKEEPING AND ACCOUNTING

Accurate books, records, and documentation of financial transactions should be maintained to substantiate all costs. These records must be retained for a period of seven years after the date of final payment or termination of a contract. All accounting records are subject to audit.

3.3 ACCRUAL ACCOUNTING

Contract agencies are required to use the accrual basis of accounting to track all costs that relate to their program. Cash receipts and cash disbursements are recorded on a monthly basis. For the last month of the fiscal year (fiscal year ending June 30th) to reflect the liability, all expenses whether paid or unpaid should be accrued.

3.4 INTERNAL CONTROLS

Contract agencies must maintain adequate internal controls that safeguard funds, avoid unauthorized transactions, and prevent thefts of assets bought with Children's Services funds. Examples of adequate internal controls include: prohibitions on issuing ATM cards for access to publicly funded accounts; two signatures are required for checks, and submission of written purchase requests and approvals for payment from the Director and Board representative(s).

3.4.1 Improper Use of ACS funds Use of ACS funds are limited to ACS program expenditures. Provider fiscal manuals / procedures should contain the below prohibitions. Providers are prohibited from using ACS funds for the following purposes -

1. Salary advances to employees
2. Payments to employees in lieu of vacation
3. Loans to employees

3.5 BANK ACCOUNTS OR GENERAL LEDGER ACCOUNTS

Contract agencies are required to maintain a separate account in a bank and a separate account in the general ledger for program funds. Initial advances received should be deposited in an interest-bearing account. Interest earned on unused funds in excess of \$250 must be reported and returned to Children's Services.

3.6 BACK-UP DOCUMENTATION

Agencies must keep original documentation on file to substantiate requests for reimbursement. Examples of appropriate documents are invoices, bills, receipts, etc. These documents must be available for on-site audit review.

Payroll Documentation

- Payroll reports detailing PS expenditures for program staff
- Properly authorized timesheets showing percentage of effort for each of the positions listed in the personnel services of your approved budget
- Time allocation system that allows reporting of hours actually worked by staff on Children's Services contract

Accounts Payable

- Accounts payable bank statements detailing cash disbursements and cancelled checks
- General ledger trial balance reports that detail opening balances for the start of the reporting period, changes throughout the month, and closing balances at month's end
- Original source documentation such as purchase orders, invoices, and receipts
- Details of competitive bids for equipment purchases and renovations
- Descriptive narrative explaining purpose of expenditures and number of units purchased

3.7 MONTHLY EXPENSE REPORT – APPENDIX B

3.7.1 Report Summary - The Monthly Expense Report is used by ACS Payment Services to generate payments and to track an agency's expenses against the approved budget plan. This report can also be used by agencies to track agency spending against the budget. The Monthly Expense Report shows all cash expenditures for the reporting period.

All requests for reimbursement must be supported by documentation which will be kept on file at the agency.

3.7.2 Due Date - Invoices for actual expenses incurred in any one month shall be submitted to ACS by the Contractor within thirty (30) days after the end of each month in which such expenses were incurred. If the Contractor fails to provide ACS with the required invoices for the amounts incurred sixty (60) days after the date invoices are due and/or if the Contractor fails to provide invoices in a manner acceptable to ACS in accordance with this Fiscal Manual sixty (60) days after the date invoices are due, ACS, may, at its sole option, disallow such invoices. If the Contractor invoices ACS for non-allowable expenses, ACS, may, without any prior notice to the Contractor, disallow such amounts from the Contractor's invoice(s) and pay the remaining allowable expense amounts, if any.

3.7.3 Report Submission - Please submit original copy of the Monthly Expense Report to:

**Executive Director, Child Welfare
Financial Services
NYC Administration for Children's Services
150 William Street, 9th Floor
New York, New York 10038**

PART 4 – HOUSING SUBSIDY OVERVIEW

4.1 HOUSING SUBSIDY OVERVIEW

Children's Services has developed an expedited way of securing housing as well as an alternative to the Housing Subsidy process to provide increased support for youth leaving care for Independent Living and for family reunifications. The goals of this revised housing subsidy process are to ensure that youth can move into their own homes and families can be reunified as soon as appropriate housing has been identified, as well as to implement a simplified process for making payments to landlords, brokers, and furniture vendors.

4.2 IMPLEMENTATION

Provider agency case planners will continue to work with the Housing Support and Services Unit on programmatic eligibility and an initial review of the application documentation. Once an apartment and/or furniture have been identified by the case planner, the provider agency will make the payment for all necessary single issuance expenses, and ACS Payment Services will reimburse in a timely fashion for these items. Single issuance expenses include such items as broker's fees, security deposits, first month's rent, rent arrears, and furniture. For clients who are requesting the recurring rent subsidy, the provider agency will also pay the estimated subsidy amount of \$300 for the second month's rent (or the ACS calculated subsidy if available at that time), in addition to any fees associated with the first month's rent.

4.3 RECURRING SUBSIDIES

In those instances when a client will be applying for a recurring monthly rent subsidy, the case planner will be required to submit appropriate documentation to Housing Support and Services where the documents will be reviewed and the recurring subsidy will be established. ACS Payment Services will be responsible for payment with the recurring subsidy beginning with the third month of the rental. All Housing Subsidy cases must be recertified twice a year, whether they are new cases, or cases that currently have a housing subsidy in place. The recertification should be done at the time of the submission of the coming due 6 month FASP. Once the FASP has been submitted for systems approval the recertification application must be submitted to ACS.

PART 5 - FINANCIAL RECORDS AND INTERNAL CONTROLS - HOUSING SUBSIDY

5.1 REIMBURSEMENT OF ACTUAL EXPENDITURES/RECONCILIATION

Expenses for the purchase of goods and services are reported based on actual cash disbursements made by your program. For example, reimbursement requests for expenses such as consultants, vocational training, and academic support must be based upon actual expenditures, not upon estimated costs per employee or participant. The ORIGINAL Monthly Expense Report, the Child-Specific Schedules, and the Summary Child Specific Schedules are all needed for Children's Services Payment Services to process your reimbursement. Children's Services Payment Services will not reimburse expenses that exceed the overall Budget Plan. Children's Services will reconcile with the agencies, on an as-needed basis.

The provider agency will submit all expenses for pre-approved clients on the monthly Preparing Youth for Adulthood (PYA) CAPS report. A detail sheet with child specific information required for tracking Housing Subsidy expenses will be submitted by the provider agency with the CAPS report. All Housing Subsidy expenses will be covered by Children's Services and will not affect provider agency budget allocations. Children's Services has updated the CAPS report to include Housing Subsidy reimbursement.

5.2 BOOKKEEPING AND ACCOUNTING

Accurate books, records, and documentation of financial transactions should be maintained to substantiate all costs. These records must be retained for a period of seven years after the date of final payment or termination of a contract. All accounting records are subject to audit.

5.3 ACCRUAL ACCOUNTING

Contract agencies are required to use the accrual basis of accounting to track all costs that relate to their program. Cash receipts and cash disbursements are recorded on a monthly basis. For the last month of the fiscal year (fiscal year ending June 30th) to reflect the liability, all expenses whether paid or unpaid should be accrued.

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5.7.3 Report Submission - Please submit original copy of the Monthly Expense Report to:

**Executive Director, Child Welfare
Financial Services
NYC Administration for Children's Services
150 William Street, 9th Floor
New York, New York 10038**

PART 6 – CLAIMING AND PAYMENTS

6.1 GENERAL GUIDELINES

See Part 3 (Financial Records and Internal Controls)

PART 7 – PROCUREMENT

7.1 GENERAL GUIDELINES

Contractors are responsible for adhering to the rules and regulations in the ACS Preventive Services Budget guides distributed each fiscal year.

Contractors are required to maintain a Fiscal Manual that includes all aspects of financial management, including internal controls, as it relates to ACS contracts, including but not limited to:

- Employee Compensation, salary and bonuses
- Vacation/Sick Leave Policy
- Petty Cash disbursement
- Conflict of interest statement (must include statement of the hiring of relatives)
- Loans to employees (It is prohibitive to use ACS funds for this purpose)
- Employee Payroll
- Maintenance of books and records
- Bank accounts and reconciliations

OMB CIRCULAR A133 REQUIREMENTS

Agencies are responsible for ensuring that all OMB Circular A133 requirements and all Children's Services requirements are met. Children's Services will distribute instructions for Preventive Services at the end of fiscal year.

BUDGET CLOSEOUT

Budget closeout will be performed by Children's Services reconciling the actual expenditures to the budget. Agencies are required to submit the required schedules in order to be in compliance with closeout requirements. Children's Services will distribute closeout instructions for Preventive Services at the end of fiscal year.

PART 8 – TAXES

8.1 GENERAL GUIDELINES

Contractors will be responsible for all required reporting and payments as defined by City, State and Federal laws.

PART 9 – AUDITING

9.1 FISCAL REVIEWS

While agencies are not required to submit copies of invoices, receipts, and checks with the monthly expense reports, these records and your accounting books are subject to audit and must be available for review by the Administration for Children's Services, New York City Comptroller's Office, the New York State Comptroller's Office, the Federal Department of Health and Human Services and other governmental agencies. Agencies are required to keep fiscal records for at least seven (7) years.

Expenses related to the Stability Initiative for Teens and Permanency Initiative should be shown on the agency's books and records in a separate cost center. A specific account should be designated for these expenses on the agency's general ledger and must be added to the agency's chart of accounts. The expenses should also be reported on the Standard of Payment (S.O.P.) in a separate column titled, "Children's Services Stability Initiative for Teens and Permanency Initiative".

9.1.1 On-Going Audit Review - The following items should available be for review during field visits:

- Preparation of each monthly bank reconciliation
- Accuracy in the preparation of CAPS reports
- Documents that support payment of invoices
- Follow-up of prior period outstanding fiscal and program findings
- Cash disbursements for legitimacy of recorded bills
- Inter-program or inter-year loans
- Filing of tax reports and timely payment
- Other records that have an impact in safeguarding the Federal grant
- Trial balance
- Adjusting journal entries

9.2 CIRCULAR A – 122 GENERAL COST PRINCIPLES FOR NON-PROFIT ORGANIZATIONS

- 1) Cost allocating the total cost of an award, contract, project etc. is the sum of the allowable direct and allowable indirect costs less applicable credits.
- 2) **Factors affecting allowable costs:** To be allowable under the award, contracts or project costs must meet the following criteria:
 - a) Be reasonable for the performance of the award, contract, activities or project and be allowable.
 - b) Conform to any limitations or exclusions set forth in the award, activities project etc. as to types or amounts.
 - c) Be consistent with policies and procedures that are applicable to the awards, activities, projects etc.
 - d) Be accorded consistent treatment
 - e) Be determined in accordance with Generally accepted Accounting Principles (GAAP)
 - f) Not included in costs used to meet time sharing or matching requirements
 - g) Be adequately documented

- 3) **Reasonable Costs:** A cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.
 - a) To determine reasonableness one must look at whether the cost is of a type generally recognized as ordinary and necessary for the operation.
 - b) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms length bargaining, Federal, State and City regulations and terms and conditions of the award.
 - c) Whether the individuals concerned acted with prudence in the circumstances.
- 4) **Allowable Costs**
 - a) A cost is allowable to a particular cost objective if it is treated consistently with other costs incurred for the same purpose such as:
 - 1) Is incurred specifically for the award, project or activities.
 - 2) Benefits both the award, project or activities and other work and can be distributed in reasonable proportion to the benefits received.
 - 3) Is necessary to the overall operation of the organization although a direct relationship to any particular cost objective cannot be shown.
 - b) Any cost allowable to a particular award or other cost objective may not be shifted to other federal wards to overcome funding deficiencies or to avoid restrictions imposed by law or the terms of the award, project or activities.
- 5) **Applicable Credits**
 - a) The applicable credits are receipts or reduction of expenditures which operate to offset or reduce expense items that are allowable to the awards, activities or projects, some examples are: purchase discounts, rebates or allowances, recoveries or indemnities on losses insurance refunds, erroneous charges, adjustments of over payments etc.
 - b) Special payments received to finance organizational activities or service operations should be netted against the expenditures.

FISCAL REVIEWS

While agencies are not required to submit copies of invoices, receipts, and checks with the monthly expense reports, these records, a list of your program's assets, accounting books and cost allocation plan should be available for review by Children's Services, New York City Comptroller's Office, the New York State Comptroller's Office, the Federal Department of Health and Human Services and other governmental agencies.

Expenses related to the PYA and Housing Subsidy program should be shown on the agency's books and records in a separate cost center. Specific accounts or group of accounts should be designated for these expenses on the agency's chart of accounts.

Agencies must comply with OMB Circular A-122 which establishes principles for determining costs of grants, contracts and other agreements with Non-Profit organizations. The Principles are designed to provide that the Federal Government bear a fair share of costs except where restricted or prohibited by laws. The circular contains detailed explanation of what constitutes allowable costs of an award.

Agencies are also responsible to ensure that all OMB Circular A-133 requirements and all Children's Services requirements are met. Children's Services will distribute instructions for audit requirements at the end of the Fiscal Year.

At the end of each fiscal year, a closeout will be performed reconciling the actual expenditures to the budget.

Children's Services requests that all audit requirements are completed by October 31, 2011. However, it is mandatory that the Children's Services schedules be submitted by October 31, 2011. If an agency does not comply with this requirement, it will have a negative impact on the yearly Fiscal Administration rating.

PART 10 – CONTRACT CLOSEOUT

10.1 GENERAL GUIDELINES

Agencies must follow the closeout process in their contract. The process includes but is not limited to – inventory, books and records, final accounting or CPA report, and VENDEX questionnaire.

PART 11 – OTHER REPORTING REQUIREMENTS

SEE PART 12

PART 12 – STANDARD FORMS

- Appendix A** Attestation
- Appendix B** Monthly Expense Report Form
- Appendix C** Child Specific Data Form and Instructions