



Department of Youth & Community Development

123 William Street, 18th Floor
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Fiscal Agent -Fiscal Manual

(Users: Providers administered under YMS Management Associates Inc. Stand Alone Discretionary contracts under \$25,000, Contracts that opt to use the services and mandated contracts)

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INTRODUCTION AND OVERVIEW

The Department of Youth and Community Development (DYCD) supports a variety of activities by awarding contracts to Human Services Providers (Providers). The Bureau of Budget and Finance (BBF) is responsible for monitoring the fiscal compliance of these contracts. For purposes of this Fiscal Manual, Human Services Contracted Providers or Community Based Organizations (CBOs) will be referred to as Providers.

The financial administration of a contracts awarded by DYCD to Providers is determined by the size, scope, past performance and funding source, in accordance with the general provisions of this manual and fiscal procedures applicable to each funding class.

Depending on the funding category, there are different requirements that govern the administration and expenditure of program funds. To provide guidance to our Providers, DYCD has developed this Fiscal Agent Manual that is subject to further updates.

FISCAL AGENT - PROVIDER CONTRACTS

Providers whose contracts are under \$25,000 and receive City Council discretionary funds are automatically placed under the fiscal agent by DYCD. There is no cost to these types of Provider contracts.

Providers have an option to obtain the Fiscal Agent services for a fee that must be allocated to their budgets. Providers that choose to use the Fiscal Agent for any services must purchase the services for all its DYCD contracts.

Providers may be mandated by DYCD to use the fiscal agent services due to poor financial performance and or a major audit finding. Providers mandated to use the Fiscal Agent Services will be notified in writing by DYCD. These providers must allocate a fee for the Fiscal Agent on their budgets.

The Fiscal Agent manual outlines DYCD policies and procedures, which are to be adhered to by all Providers that utilize the Fiscal Agent services.

Providers administered under the Fiscal Agent do not receive payments from DYCD and are not obligated to prepare monthly expense reports. Upon the registration of the Providers contract with the NYC Comptroller's Office, the Provider's claims for funds are reviewed and processed by the Fiscal Agent, which then directly pays the Provider's vendors, consultants, and employees. The Fiscal Agent prepares and submits monthly expense reports to DYCD on behalf of the Provider.

SECTION ONE: THE BUDGETS AND WHAT THEY COVER

OVERVIEW OF THE PROVIDER BUDGETS

DYCD has two different budget formats that govern the administration and expenditure of program funds in this Fiscal Agent Manual. Both budget formats are derived by the two Fiscal Manuals listed below:

- **Comprehensive Contract Management System (CCMS)/ Program Expense Summary Report (PERS)**
- **HHS Accelerator Financials (HHS)**

These fiscal manuals are available on DYCD's website in the fiscal manuals section under CBO financial services.

DYCD defines the budget formats to be used under the Fiscal Agent Manual as the:

- **CCMS Budget**
- **HHS Budget**

The budget format will be determined by DYCD and the Provider will be notified as to which format applies to each contract. DYCD is transitioning its contracts from the CCMS budget to the HHS budget format.

All budgets will be prepared by the Provider based on the scope of service contained in the contract and will require DYCD approval. Below is a brief description of the two budget formats.

- 1) **CCMS Budget:** This budget is a hard copy document. Once the Budget is approved by DYCD, it is transmitted to the Fiscal Agent for account set up. Funds will not be released until the contract is registered with the NYC Comptroller's office. Providers will be notified by DYCD once the contract is registered. This budget format is currently used for **Stand-Alone Discretionary contracts, Neighborhood Development Area, Literacy and Summer Youth Employment Program contracts.**
- 2) **HHS Budget:** This budget is online and managed through HHS Accelerator Financials. The Provider must authorize the Fiscal Agent to manage their contracts in HHS Accelerator Financials. The HHS Budget requires two levels of approval for submission to DYCD. Level one is at the Provider level and Level two is for the Fiscal Agent. Once the budget is approved by DYCD and the contract is registered by the NYC Comptroller's office it becomes an active budget in HHS Accelerator Financials. Funds will not be released until the budget is "Active" Contracts that are currently administered through HHS Accelerator Financials are: **Cornerstone, Young Adult Internship Program, Fatherhood, Immigration, Runaway Homeless Youth, Beacon, School's Out NYC (SONYC), & COMPASS.**

SECTION ONE:

PART A - THE CCMS-BUDGET FORMAT AND BUDGET MODIFICATION OVERVIEW

After a contract is awarded, a budget is prepared based on the proposed services, funding availability, and contract term. Budgets generally include an allocation for Staff, Non-Staff Services, and Other Than Personnel Services (OTPS).

Below are the categories used by DYCD and the relevant Account Codes within each category:

Personnel Services Categories:

- 1100 Salaries and Wages
- 1200 Fringe Benefits
- 1300 Central Insurance Program (CIP)

Non-Staff Services Categories:

- 2100 Consultants
- 2200 Subcontractors
- 2300 Stipends
- 2400 Vendors
- 2500 Fiscal Conduit

Other Than Personnel Services Categories:

- 3100 Consumable Supplies
- 3200 Equipment Purchases
- 3300 Equipment Other
- 3400 Space Cost
- 3500 Travel
- 3600 Utilities and Telephone
- 3700 Other Operational Costs
- 3800 Van Maintenance (for DYCD issued vehicles only)
- 3900 Fiscal Agent Services

Completed budgets are submitted to the assigned DYCD Program Manager. The budget will be reviewed by program and fiscal staff within DYCD for final Approval. An approved copy of the budget is submitted to the Fiscal Agent to set up accounting records. A final budget, agreed to by DYCD and the Provider, is included in the Provider's contract.

The DYCD CCMS Budget Form is an Excel Spreadsheet located on the DYCD website which uses a series of individual worksheets (see tabs entitled Salary, Fringe, Non-Staff Services and OTPS). <http://www1.nyc.gov/site/dycd/involved/funding-and-support/cbo-budget-review-risk-management.page>. The first page (the Budget Summary) will automatically be completed as these worksheets are prepared. Most of the information requested is self-explanatory. Below is some information for guidance as you complete the DYCD budget.

General Information

- DYCD ID #, Budget Code #, and Amendment #: This information will be provided to you by DYCD.
- State Unemployment Insurance Number: This number appears on all correspondence relating to SUI, and may be obtained by calling the New York State Department of Labor at 1-888-899-8810.
- Operating Period: The term of the contract, (start date to end date) may overlap Fiscal Years. The City's Fiscal Year runs from July 1st to June 30th. In multi-year contracts or contracts spanning more than one City Fiscal Year, a separate budget must be submitted for each Fiscal Year, indicating the portion of the award spent in each City Fiscal Year.
- In-Kind Contributions: DYCD recognizes that in some cases the funding received from DYCD does not represent the full amount needed to operate a program. Providers often provide additional funding. In some cases, additional funding is a requirement of the contract. The dollar value of existing resources from other funders that are allocated to this contract must be reflected as In-Kind Contributions. The equivalent monetary value of volunteer service must be added to the In-Kind Contributions category.
- Total Provider Budget (all sources): This entry must reflect the total operating budget of the Provider from all sources.
- Total DYCD Budget: This column reflects the total amount of DYCD funding allocated to each budget category. This column reflects the sum of the Program Administered and the Centrally Administered columns as described below.
- Program Administered: The portion of the budget that will be managed by the Provider.
- Centrally Administered: Specific items covered and paid by DYCD. **These are non-reimbursable costs, and Providers will not have access to these funds.** These costs include Fiscal Agent Service fees, Van Maintenance, and the Central Insurance Program (CIP). No other items may be included in this column.

PERSONNEL SERVICES (PS) refers to programmatic expenses for Salaries and Fringe Benefits. Please keep in mind the following information as you complete the DYCD budget:

1100 -SALARY AND WAGES

An employee paid with DYCD funds must perform work related to the DYCD contract, directly or indirectly. For DYCD contracts, a **full-time employee** is defined as one who works 35 hours or more per week, is paid on a salary or hourly basis and retains a full-time position with the Provider. A full-time employee shall not be claimed as a part-time employee because her hours are shared between contracts. For example, if the employee is full-time and is scheduled to work one-fifth of her time on a DYCD contract, she is still considered a full-time employee for DYCD contract and PERS claiming purposes.

A **part-time employee** is generally defined as an employee who is scheduled to work less than 35 hours per week and/or is paid on an hourly or seasonal basis, and retains a part-time employment status with the Provider. A part-time employee shall not be claimed as full-time, simply because he/she only works on a DYCD contract.

Time sheets for all full-time and part-time employees must be dated and signed by the employee and the employee's supervisor. The Executive Director's time sheet must be signed by a member of the Board of Directors. The required director's signature may NOT be replaced by the signature of another member of management.

New York State's minimum wage will increase in a series of three annual changes as follows:

Effective Dates	Hourly Rate
December 31, 2016	\$11.00 per hour
December 31, 2017	\$13.00 per hour
December 31, 2018	\$15.00 per hour

DYCD has developed titles appropriate for the provision of contracted services. No other titles may be used on DYCD budgets. There is a list of approved titles and the respective title codes on DYCD's website.

The New York City Fiscal Year runs from July 1st through June 30th. If the contract period overlaps fiscal years, multiple budgets must be prepared. Each budget must reflect the number of months worked in the specific fiscal year to which the budget applies. For example, a 16-month contract starting May 1, 2017 and ending August 31, 2018 would have three budgets (one covering FY 2017 for 2 months, one covering FY 2018 for 12 months and one covering FY 2019 for 2 months.) An Annual Salary should indicate a 12-month salary regardless of the budget operating period.

Some employees may work on multiple program contracts. Estimate the percent of time devoted to each program and allocate only the appropriate amount to each contract budget. The total of all estimates (including programs not funded by DYCD) cannot exceed 100%.

Salary increases will be at the discretion of the Provider, provided they are within the scope of services and are pre-approved by the DYCD Program Operations Unit.

1200 - FRINGE BENEFITS

The maximum rate allowed for fringe benefits is 35%. The rate includes all benefits under the Fringe Benefits category. Fringe Benefits may include FICA, MTA Tax, Unemployment Insurance, Workers Compensation, Disability, Life Insurance, Pension, and Medical Benefits. **Effective fiscal year 2017, the minimum Fringe Benefit rate of 7.99% for FICA and MTA tax is required for all contracts.**

The minimum allocation for Providers managed through the Fiscal Agent is 12.99%. This represents 7.65% for FICA, .34% for MTA Tax plus a 5% estimated Unemployment Insurance rate.

Employer's FICA and MTA Tax are budgeted at 7.99% of total salaries. The maximum of wages taxed for the Social Security portion of FICA can be found at www.ssa.gov. Please note that these rates and dollar amounts are determined by the Federal government, and are subject to change.

The Metropolitan Commuter Transportation Mobility Tax is imposed on certain employers and self-employed individuals engaging in business within the Metropolitan Commuter Transportation District (MCTD). The MCTD consists of the five boroughs of New York City.

Employers:

- This tax applies to you if you are required to withhold New York State income tax from wages and your payroll expense exceeds **\$312,500** in any calendar quarter.
- Tax rate: 0.34% (.0034) of your payroll expense for employees employed within the MCTD and allocated to your DYCD contract.

Please check the following link for a rate that applies to your organization:
<https://www.tax.ny.gov/bus/mctmt/emp.htm>

State Unemployment Insurance (SUI). For calendar year 2018, SUI is budgeted at the Providers insurance rate for up to and including the first \$11,100 of an employee’s salary. As a result of changes in NYS law, the wage bases will be adjusted annually on January 1. The wage base is the amount of an employee’s wages used to calculate an employer’s Unemployment Insurance contributions. The table below lists the wage bases for 2017-2026.

Please note: Terminated staff as well as new staff hired within the same calendar year must be covered by SUI.

January 2017	\$10,900	January 2024	\$12,500
January 2018	\$11,100	January 2025	\$12,800
January 2019	\$11,400	January 2026	\$13,000
January 2020	\$11,600		
January 2021	\$11,800		
January 2022	\$12,000		
January 2023	\$12,300		

After 2026, the wage base will be adjusted on the first day of January each year to 16 percent of the state's average annual wage.

Medical Benefits, Life Insurance, Pension, Workers Compensation, and Disability costs are to be calculated based upon the Provider’s policies.

1300 -NEW YORK CITY’S CENTRAL INSURANCE PROGRAM

Providers have the option of buying into New York City’s Central Insurance Program (CIP). The package offered under this program includes General Liability Insurance, Workers Compensation, and Disability Insurance. This insurance does not cover incidents of child or sexual abuse.

The cost of the CIP Insurance Package is 4.5% of the contract’s total budget. CIP cannot be purchased for a portion of the contract term. Entering the Central Insurance Program covers the provider for the full contract year.

Providers That Provide Their Own General Liability Insurance

Please refer to the Other Operational Cost category

NON-STAFF SERVICES

Non-Staff Expenditures refers to the following categories: Consultants, Subcontractors, Stipend, Vendors and Fiscal Conduit.

2100: CONSULTANTS

Consultants are individuals, with specific skills, retained to perform limited programmatic tasks or to complete program related projects on a temporary and/or limited basis, where the tasks or projects cannot be accomplished by the Provider’s staff. The services provided by the Consultant must be related to the program work scope described in the contract. All consultants paid by the DYCD contract are required to be an approved item within the budget under line 2100, pursuant to a consultant agreement (see below).

Providers must receive the consent of DYCD to use a consultant, approval of which would be part of the regular budget approval process.

Consultants cannot be salaried employees of the contractor. Consultants are self-employed individuals who maintain their own service and financial records.

For each consultant listed, attach a signed, notarized Consultant Agreement and a resume. (If extra space is required to list the Consultants, please use the tab “Additional Info Page 3” of the Budget Spreadsheet.)

Consultants retained by a Provider must enter into a written agreement, detailing the specific tasks to be performed. Consultants will be allowed by DYCD only for those services that cannot be performed by Provider staff. If a consultant’s services are required for an extended period, such an individual must be hired as an employee. Consultant Agreements and invoices must be maintained by the Provider for at least six (6) years. Consultant invoices must include the following details: rate, hours, type of services, date of service, consultant signature, and approval by the Provider’s Executive Director or his/her designee. Consultant services are exempt from bidding requirements.

2200: SUBCONTRACTORS

Subcontractors are independent entities retained to perform specific programmatic services. A Subcontract Agreement will be governed by the terms of the DYCD contract. The maximum percentage of subcontracting allowed is determined by the respective contract or program area contract based on the RFP.

Subcontractor with an annual budget of over \$100,000 will be required to complete the VENDEX (Vendor and Principal Questionnaires) and provide other information about the entity.

Subcontractors are to be listed in the Subcontractor section of the budget. For each Subcontractor listed attach a signed, notarized Subcontract Agreement with the subcontractor’s EIN # and a listing of their Board of Directors. **A prime Contractor shall not enter into any subcontract for the performance of its obligations without prior written approval from DYCD.**

After the agreement is made between Prime Contractor and Subcontractor to render services, the subcontractor must be approved by DYCD’s Agency Chief Contracting Office (ACCO). Otherwise, the Provider runs the risk of *not being reimbursed* for services rendered should the subcontractor not be approved.

All subcontract agreements submitted for approval must be accompanied with the City of New York Subcontractor Approval Form. Upon approval, DYCD will forward a copy of the approval form to the prime contractor for their records and will also approve the subcontractor in the Payee Information Portal (PIP) system. For more information please visit the PIP system at www.nyc.gov/pip

The prime Contractor will be required to utilize the City’s web based system, PIP, to identify all subcontractors to obtain subcontractor approval pursuant to New York City Procurement Policy Board (PPB) Rule section 4-13, and will also be required to enter all subcontractor payment information and other related information in such system during the contract term. Failure of the prime Contractor to list a subcontractor and/or to report subcontractor payments in a timely fashion may result in the City agency declaring the prime contractor in default of the contract and may subject the prime contractor to liquidated damages in the amount of \$100 per day for each

day that the prime contractor fails to identify a subcontractor along with the required information about the subcontractor and/or fails to report payments to a subcontractor.

2300: STIPENDS

This policy addresses the use of Stipends and Incentives to reward or incentivize program participants and volunteers.

Client Stipend:

Stipends are only allowed for the benefit of participants (clients) of the program. Stipends may be included as a part of a training program, to assist a client in acquiring the skills necessary to obtain employment and to subsequently retain employment. A stipend is a nominal allowance and may be paid according to hourly, daily or weekly rates.

A stipend **may not** be used to displace an employee or position, including partial displacement such as a reduction in hours and wages, to avoid hiring salaried workers, or to perform services that would otherwise be performed by an employee, including an employee who recently resigned or was discharged, an employee who is subject to reduction in workforce, or an employee who is on leave. Stipends may not be used to pay for service being received by the provider or to avoid payment of FICA, Unemployment Insurance, or Worker's Compensation Insurance. Additionally, any specific guidelines set forth by the respective DYCD Program area, must be followed. All stipends must be pre-approved by DYCD.

Incentives

In some cases, it may be appropriate to provide *participant incentives*, other than stipends. In contrast to a stipend, which is distributed on an ongoing basis, and incentive is paid at the end of a period or cycle to mark the individual's having done or achieved a goal or end. For example, a program might announce that a youth who has perfect attendance in an art program will receive a camera.

The incentives covered by this policy are cash or cash equivalents (such as a gift card) in any amount or gifts or prizes with a value of \$25 or greater. For example, distribution of cartoon stickers to reward school children for regular attendance in a program is not covered by this policy. However, giving a \$15 movie theatre gift card to participants who regularly attend a program.

Volunteers (not allowed)

Providers will **not be able to use funds to pay volunteers** (including mentors) for their time volunteering (since it's within the nature of volunteer work to be uncompensated.) Instead, providers may thank volunteers by offering to defray the cost their travelling by public transportation to the program location, by providing a subsidized meal or snack, or by recognizing volunteers with a certificate. These costs should not be budgeted under Stipends.

2400: VENDORS

Vendors are entities or individuals retained to provide services to the Provider and who do not provide direct program services; examples of services provided by vendors are cleaning, security, accounting, etc. Vendor Agreements must be maintained on file at the Provider for a minimum of six (6) years. Providers must follow the purchasing procedures outlined in the Fiscal Manual for the procurement of services from vendors (Section 4).

2500: FISCAL CONDUIT (FOR DISCRETIONARY AWARDS)

Fiscal Conduits are DYCD contractors acting as financial intermediaries to specific subcontractor Each subcontractor must be listed and have a notarized Subcontract Agreement.

OTHER THAN PERSONNEL SERVICES (OTPS)

These costs are for programmatic expenses other than Salaries, Fringe Benefits or Non-Staff Services. The following is a description of the OTPS categories:

3100: CONSUMABLE SUPPLIES

Consumable supplies are supplies that do not last or are not permanent in nature. Consumable supplies include office and maintenance supplies, such as pens, stationery, chalk, erasers, towels, cleaning supplies, and books.

3200: EQUIPMENT PURCHASES

Equipment purchases are supplies that are durable or permanent in nature, such as furniture, printers, fax machines, televisions, cameras, and computers, etc. All equipment purchased with DYCD funds must be listed on the budget.

All equipment and/or furniture purchased with DYCD funds is the property of the New York City Department of Youth and Community Development, and must be tagged "Property of DYCD." At the end of the contract, all non-depreciated equipment that still has a useful life and was purchased with DYCD funds must be returned if requested by DYCD. Contact the assigned Contract Manager regarding continued use or other disposition of equipment. DYCD will consider requests for continued use or other recommended disposition of such equipment, upon termination or non-renewal of a contract. Contact the assigned Contract Manager regarding continued use or other disposition of equipment.

Equipment purchase must be listed with an item description, equipment cost, DYCD cost, model number, manufacturer and serial number for equipment \$500 or more. Purchases under \$500 or under \$250 if CDBG funds are used will require an item description, Equipment Cost and DYCD cost only.

3300: EQUIPMENT--OTHER

Costs associated with equipment include rental, lease, licensing fees, computer software, repair and maintenance of office/programmatic equipment used in the performance of the Provider's operation. Maintenance service contracts and payments for equipment repair and maintenance may also be reflected in this category. (Equipment or furniture leased with an option to buy may also become the property of DYCD at the end of the contract.)

3400: SPACE RENTAL (A/C 3710 & 3720)

Space costs are those costs associated with paying for the space necessary for program operation. Space Cost is separated into two subcategories:

3410: SPACE RENTAL - PUBLIC SCHOOL

Opening fees and room rentals paid to the Department of Education for school rental costs. A Provider must complete a Space Cost Allocation Plan and provide the DOE permit.

3420: SPACE RENTAL OTHER

All rent, mortgage and other expenses associated with the use of a facility. Along with the budget, the Provider will be required to submit a copy of its mortgage, lease, or month-to-month rental agreement. In addition, the Provider must submit a completed Space Cost Allocation Form. (Available on the DYCD website) The Agreement will reflect DYCD's allocated portion of the rental or mortgage charges. No renovation or construction projects may be paid for with DYCD's program funds. However, some repairs may be allowed, subject to prior written approval by DYCD

3500: TRAVEL

Travel costs refer to costs for local travel by the employees and, in some instances, participants of the Provider, to conduct official business related to the DYCD contract. Travel may be by public transportation, by a Provider's vehicle, or personal automobiles used for Provider's business. Costs for the use of a personal automobile will be reimbursed at the maximum rate provided on the IRS website [IRS Standard Mileage Rate](#). A mileage log must be maintained for both personal and business-owned vehicles used to conduct business related to the funded program.

All participant-related travel expenses, e.g., bus trips and local travel, is to be budgeted under this category. Bus companies must be insured.

Providers must charge expenses for business-owned vehicles such as car maintenance, gasoline, tolls and automobile insurance to this category. Provider-owned vehicles used for DYCD purposes must include the City of New York as an additional named insured.

Tickets for traffic or parking violations may not be paid for with program funds.

3600: UTILITIES AND TELEPHONE

Utility, telephone, internet and cable service costs related to the DYCD program are allowable for reimbursement. This includes bundled packages of internet, telephone, and/or cable. Costs must be prorated over the operating period.

3700: OTHER OPERATIONAL COSTS (A/C 3710 & 3720)

Expenses which do not fall into any of the categories described above are referred to as Other Operating Costs. These expenses are further separated into two subcategories: Operating Costs and Indirect Costs.

3710: OPERATING COSTS

Costs such as printing, postage, admissions, publications, bank charges, **audit fees**, subscription costs, and wiring associated with computer set up are considered operating costs. This category also includes the cost of **general liability insurance** for Providers not participating in the Central Insurance Program. Participant costs such as refreshments, **entrance fees**, awards, T-shirts, uniforms, sporting and recreational supplies are included in this category.

ENTRANCE FEES- FIELD TRIPS

The costs for participant related field trips such as theatre tickets, amusement parks, museums, etc. must be budgeted in the Operating Cost Category. **Note: For federal funded contracts, entertainment costs are disallowed.*** The cost must be incurred during the operating period in which goods and services are

received or delivered. Tickets purchased for trips must be used for the participants under the program of that budgeted period. The Provider will not be reimbursed for tickets purchased in one contract year but used for participants of the subsequent contract year.

*Please note that for programs funded with federal funds, additional limitations do apply, including prohibition of use of federal funds for entertainment costs, compliance with the federal costs principles in 2 CFR Part 200 and programmatic guidelines and requirements that may be provided by certain programs.

Audit Fees

DYCD will reimburse Providers for a portion of their audit fees applicable to DYCD contracts. If the Provider receives funding from other sources besides DYCD, it may only include DYCD's proportionate share. The proportionate share must be calculated by dividing the total DYCD budget by the Provider's total budget and applying that percentage to the total Audit Cost. Audit fees are to be budgeted and expensed in the contract year in which the audit is performed. Providers that are including audit costs in their budget must submit an Audit Cost Allocation Plan with the budget.

Providers That Provide Their Own General Liability Insurance

The Cost for General Liability insurance must be budgeted under the Operating Cost Category. Providers that choose not to buy into the CIP Insurance Program must provide DYCD with an original Certificate of General Liability Insurance, as well as any renewal certificates required during the contract term. Providers are required to have General Liability Insurance in the sum of not less than one million dollars (\$1,000,000) per occurrence to protect Providers themselves and the City of New York and its officials and employees against claims, losses, damages, etc. Required certificates not presented in a timely manner may result in Provider being placed on check hold. The policy must include theft insurance to guard against loss of equipment as a result of a break-in or robbery. Each Provider must be covered for loss due to burglaries, vandalism, fire or floods that affect equipment or furniture that is leased or purchased with DYCD funds. If such equipment is lost or stolen, Provider must obtain a police report detailing the nature of the incident as well as submit a claim to the insurance carrier. In addition, the Provider must submit an official report to DYCD. Provider must replace lost or stolen DYCD equipment with funds obtained from settlement of the claim. The Risk Management Unit must receive written notification within fifteen (15) days if the policy is cancelled during the contract term.

Insurance Requirements as of FY2017 (01/05/17)

**CBOs are referred to as Providers in this manual*

The New York City Comptroller's Office requires that the Certificates of General Liability Insurance have the National Association of Insurance Commissioner (NAIC #) included on the right of the page next to the insurer A box.

The City Law Department requires DYCD to ensure that all the Certificates of General Liability for our contracted Providers* contain the following statement in the box labeled "Description of Operations/Locations/Vehicles":

"The City of New York, including its officials and employees, is included as Additional Insured."

Furthermore, Programs located in Department of Education (DOE) or New York City Housing Authority (NYCHA) facilities must carry insurance that covers and names the City of New York and DOE or

NYCHA as Additional Insureds. The Certificate for such a program must contain the following statement in the box labeled “Description of Operations/Locations/Vehicles”:

“The City of New York, and the Department of Education of the City School District of the City of New York [or New York City Housing Authority], including their officials and employees, are included as an Additional Insured.”

Additionally, each certificate of insurance must be accompanied by a copy of the endorsement that is used for the Provider’s policy. If the endorsement contains a box titled “Location(s) Of Covered Operations,” it must list the location where services are being provided.

If services are provided in in multiple locations, under “Location(s) Of Covered Operations,” the Provider must include the following language: “All locations of operations that are listed in the contract(s)” in lieu of having to list each location where services are provided.

DYCD **no longer** requires that the Certificate of General Liability Insurance and the Endorsement be sent directly from an insurance broker. Providers can email these proofs of insurance documents directly to DYCDInsurance@dycd.nyc.gov for review.

All other mandatory insurance policies must be made available for inspection by DYCD staff, CPA Auditors, or other authorized agents. DYCD retains the right to enroll a non-compliant Provider in CIP and to withhold 4.5% of the contract.

3720: INDIRECT COST

The category “Indirect Cost” cannot be used by providers administered through the Fiscal Agent. All costs must be itemized.

3800: VAN MAINTENANCE

If the Provider has been assigned a city-owned van, DYCD will provide maintenance through the Department of Citywide Administrative Services. A total of \$2,000 will automatically be deducted annually from the contract for Van Maintenance. This cost is centrally administered and is not reimbursable.

3900: FISCAL AGENT SERVICES

All Providers have the option of purchasing the services of the Fiscal Agent who will:

- Establish financial records
- Maintain and report on available Provider budget balance
- Verify invoices
- Provide payroll services and personnel reporting
- Ensure the timely filing and payment of employment -related taxes
- Ensure that accounts payable and ledger system and activities are in accordance with generally accepted accounting practices and procedures.
- File federal tax form 941 and 941B
- Prepare W2s, W3s, and 1099s

FISCAL AGENT FEES

Fiscal Agent Services fees must be allocated in the the Fiscal Agent Services category. Separate fees must be allocated for each individual budget. Effective 7/1/18 the Fiscal agent fee has changed, see below.

Contract Dollar Value	Fiscal Agent Service Fees
\$2,500 -\$25,000	\$420
\$25,001 and over	3% (of each budget)

NOTE:

There is no Fiscal Agent fee required for Providers with standalone Discretionary contracts, valued under \$25,000. A Provider that chooses to be placed under, or is mandated to use, the services of the Fiscal Agent **must have all of its non WIOA DYCD contracts administered by the Fiscal Agent.** The Fiscal Agent fees are centrally administered costs and are not reimbursable. Those agencies mandated for Fiscal Agent services will receive written notification from DYCD.

CCMS - BUDGET MODIFICATION POLICIES AND PROCEDURES OVERVIEW

A Budget Modification does not increase or decrease a contract award amount; it serves to reallocate money between line items of an already approved budget. Changes to the approved and registered budget may be submitted only as they relate directly to the accomplishment of services required in the contract. Providers must submit all modifications (both programmatic and budgetary) to the assigned DYCD Contract Manager in Program Operations. Budget modifications must not be implemented prior to written approval by DYCD’s Budget Review & Risk Management Unit.

Forms to request a contract modification can be accessed through the DYCD website: <http://www1.nyc.gov/site/dycd/involved/funding-and-support/cbo-budget-review-risk-management.page>.

The number of budget modifications allowed is based on the term of the contract. Providers must plan their programs and budgets carefully, since there is a limit on the number of allowable budget modifications. The number of modifications accepted is based on the contract term, as follows:

Contract Term	Number of Budget Modifications Allowed
3 months or less	1 Modification
4 to 8 months	2 Modifications
9 to 12 months	3 Modifications

Requests are to be submitted to the assigned Program/Contract Manager at least two weeks prior to the proposed effective date. No budget or programmatic changes may be made without prior written approval from DYCD.

Please note: The last day for budget modifications to be submitted is April 30th of the City Fiscal Year. Providers with contracts that were registered after mid-March of the fiscal year are exempt from the above deadline.

Questions regarding the budget modification process must be directed to your DYCD Contract Manager.

SECTION ONE:

PART B - THE HHS-BUDGET FORMAT AND BUDGET MODIFICATION OVERVIEW

After a contract is awarded and configured in HHS Accelerator Financials, Providers must prepare and submit a budget based on the proposed services, funding availability and contract term.

Below are the main budget categories used by DYCD in HHS Accelerator Financials:

- **Personnel Services**
- **Operations and Support**
- **Utilities**
- **Professional Services**
- **Rent**
- **Contracted Services**
- **Indirect Rate**
- **Unallocated Funds**

Completed budgets are submitted via HHS Accelerator Financials and first routed to the assigned DYCD Program Manager(s). The budget will be reviewed by program and fiscal staff within DYCD who will either approve the Budget or return it to the Provider for revision. Providers will receive notifications and alerts in HHS Accelerator Financials when a budget action is required. The final budget approved by DYCD will be included and made a part of the Provider’s contract.

General Information

HHS Accelerator Financials utilizes a series of tabs that correspond to various budget categories. Below is information to keep in mind as a DYCD budget is completed.

The first **Budget Header** in HHS Accelerator Financials (blue tab) will be pre-populated with the **DYCD ID #, Budget and Object Code #, Program Name**, and the **Budget Amount**.

Start Date	End Date	FY Budget	YTD Invoiced Amount	Remaining Amount	YTD Actual Paid Amount
07/01/2016	06/30/2017	\$1,000,000.00	\$0.00	\$1,000,000.00	\$0.00

Save Submit

- 60789A 3551/6950 COMPASS \$1,000,000.00
- Documents
- Advances
- Assignments

Operating Period

The term of the contract (start date to end date) may overlap Fiscal Years. **The City’s Fiscal Year runs from July 1st to June 30th.**

HHS Accelerator Financials

The titles utilized in the HHS Accelerator Financials are approved for use in DYCD contracts.

If the contract period overlaps fiscal years, multiple budgets must be prepared. Each budget must reflect the number of months worked in the specific fiscal year to which the budget applies. For example, a 16-month contract starting May 1, 2016 and ending August 31, 2017 would have three budgets (one covering FY 2016 for 2 months, one covering FY 2017 for 12 months and one covering FY 2018 for 2 months).

Providers will submit their budgets through HHS Accelerator Financials. If a contract spans multiple years, the next year's budget template becomes available for submission within the final quarter of the current City fiscal year.

Insurance

Providers that choose not to buy into the CIP Insurance Program must provide DYCD with a Certificate of General Liability Insurance, as well as any renewal certificates required during the contract term. Providers are required to have General Liability Insurance in the sum of not less than one million dollars (\$1,000,000) per occurrence to protect Providers themselves and the City of New York and its officials and employees against claims, losses, damages, etc. Required certificates not presented in a timely manner may result in a delay in contract registration or may result in suspension of a contract. The policy must include theft insurance to guard against loss of equipment as a result of a break-in or robbery. Each Provider must be covered for loss due to burglaries, vandalism, fire or floods that affect equipment or furniture that is leased or purchased with DYCD funds. If such equipment is lost or stolen, the Provider must obtain a police report detailing the nature of the incident as well as submit a claim to the insurance carrier. In addition, the Provider must submit an official report to DYCD. The Provider must replace lost or stolen DYCD equipment with funds obtained from settlement of the claim. The Risk Management Unit must receive written notification within fifteen (15) days if the policy is cancelled during the contract term.

Insurance Requirements as of FY2017 (01/05/17)

The New York City Comptroller's Office requires that the Certificates of General Liability Insurance have the National Association of Insurance Commissioner (NAIC #) included on the right of the page next to the insurer A box.

The City Law Department requires DYCD to ensure that all the Certificates of General Liability for our contracted Providers contain the following statement in the box labeled "Description of Operations/Locations/Vehicles":

"The City of New York, including its officials and employees, is included as Additional Insured."

Furthermore, Programs located in Department of Education (DOE) or New York City Housing Authority (NYCHA) facilities must carry insurance that covers and names the City of New York and DOE or NYCHA as Additional Insureds. The Certificate for such a program must contain the following statement in the box labeled "Description of Operations/Locations/Vehicles":

"The City of New York, and the Department of Education of the City School District of the City of New York [or New York City Housing Authority], including their officials and employees, are included as an Additional Insured."

Additionally, each certificate of insurance must be accompanied by a copy of the endorsement that is used for the Provider’s policy. If the endorsement contains a box titled “Location(s) Of Covered Operations,” it must list the location where services are being provided.

If services are provided in multiple locations, under “Location(s) Of Covered Operations,” the Provider must include the following language: “**All locations of operations that are listed in the contract(s)**” in lieu of having to list each location where services are provided.

Samples of the Certificates of Insurance and endorsements are available on the DYCD website.

Providers must make available a **Certificate of Insurance**, together with a **Broker’s Certificate**, and the **Additional Insured Endorsement**, to DYCD; providers must also submit any renewal certificates required during the contract term. Required certificates not presented in a timely manner may result in suspension of the contract. DYCD retains the right to enroll a non-compliant Provider in CIP and to withhold 4.5% of the contract to cover the cost of CIP participation.

DYCD **no longer** requires that the Certificate of General Liability Insurance and the Endorsement be sent directly from an insurance broker. Providers can email these proofs of insurance documents directly to DYCDInsurance@dycd.nyc.gov for review.

All other mandatory insurance policies must be made available for inspection by DYCD staff, CPA Auditors, and/or other authorized agents.

Employer’s FICA and MTA Tax are budgeted at 7.99% of total salaries. The maximum of wages taxed for the Social Security portion of FICA can be found at www.ssa.gov. Please note that these rates and dollar amounts are determined by the Federal government and are subject to change.

The Metropolitan Commuter Transportation Mobility Tax is imposed on certain employers and self-employed individuals engaging in business within the Metropolitan Commuter Transportation District (MCTD). The MCTD consists of the five boroughs of New York City.

Employers:

- This tax applies to you if you are required to withhold New York State income tax from wages and your payroll expense exceeds \$312,500 in any calendar quarter.
- Tax rate: 0.34% (.0034) of your payroll expense for employees employed within the MCTD and allocated to your DYCD contract.

Please check the following link for a rate that applies to your organization:

<https://www.tax.ny.gov/bus/mctmt/emp.htm>

State Unemployment Insurance (SUI). For calendar year 2018, SUI is budgeted at the Providers insurance rate for up to and including the first \$11,100 of an employee’s salary. As a result of changes in NYS law, the wage bases will be adjusted annually on January 1st. The wage base is the amount of an employee’s wages used to calculate an employer’s Unemployment Insurance contributions. The table below lists the wage bases for 2018-2026.

Please note: Terminated staff as well as new staff hired within the same calendar year must be covered by SUI.

January 2017	\$10,900	January 2024	\$12,500
January 2018	\$11,100	January 2025	\$12,800
January 2019	\$11,400	January 2026	\$13,000
January 2020	\$11,600		
January 2021	\$11,800		
January 2022	\$12,000		
January 2023	\$12,300		

After 2026, the wage base will be adjusted on the first day of January each year to 16 percent of the state's average annual wage.

Medical Benefits, Life Insurance, Pension, Workers Compensation, and Disability costs are to be calculated based upon the Provider’s policies.

COMPLETING THE DYCD BUDGET

Personnel Services Tab refers to programmatic expenses for Salaries and Fringe Benefits. Please keep in mind the following information as you complete the DYCD budget:

Cost Allocation - an employee paid with DYCD funds must perform work related to the DYCD contract. Administrative staff performing work under DYCD contracts must be cost-allocated under Personnel Services **or** budgeted under the Indirect Costs rate category. Providers may have employees work under multiple program budgets. Estimate the percent of time devoted to each and allocate only the appropriate amount to each program budget. The total of all amount budgeted to one staff person (including programs not funded by DYCD) cannot exceed 100%.

PLEASE NOTE:
New York State’s minimum wage will increase in a series of three annual changes as follows:

Effective Dates	Hourly Rate
December 31, 2016	\$11.00 per hour
December 31, 2017	\$13.00 per hour
December 31, 2018	\$15.00 per hour

Salaried Employee

For DYCD contracts, a Salaried Employee is defined as a full-time employee who works 35 hours or more per week, is paid on a salary or hourly basis and retains a full-time position with the Provider. A full-time employee shall not be claimed as a part-time employee because their hours are cost-allocated between contracts. For example, if the employee is full-time and is scheduled to work 20% of their time on a DYCD contract, they are still considered a full-time employee per DYCD claiming purposes.

Hourly Employees

For DYCD contracts, a Part Time employee is defined as someone who is scheduled to work less than 35 hours per week and/or is paid on an hourly basis, and retains a part-time employment

status with the Provider. A part-time employee is allowed to work more than 35 hours per week during a specific season (e.g. summer) but must maintain an overall part-time status.

Completing Your Budgets:

- Providers must enter each individual position on a separate line. For example, if a provider has 5 Instructors, each Instructor must be listed on a separate line in the detail view of the **Personnel Services** tab.
- The **Annual Hours** reflects the total hours each employee works for the organization. The Federal Standard for full time employees is 2,087 hours annually.

The default agency view is the **Summary View** in a Budget Review task. Providers must click on the **Detail View** to input staffing information.

Personnel Services - Detail

City Salary & Fringe:	\$325,388.00	Total Positions:	21
City Salary:	\$274,514.00	Total City FTEs:	6.48
City Fringe:	\$50,874.00 (18.53%)		



Salaried Positions		Internal ID	Annual Salary	Annual Hours	FY Budget	% City Funded
Salaried Positions Total			\$233,162.00	8,320.00	\$103,042.00	44.19%
1	Budget Manager		\$78,021.00	2,080.00	\$3,901.00	5.00%
2	Supervisor		\$70,000.00	2,080.00	\$14,000.00	20.00%
3	Program Director (501)		\$51,000.00	2,080.00	\$51,000.00	100.00%
4	Program Coordinator		\$34,141.00	2,080.00	\$34,141.00	100.00%

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Hourly Positions		Internal ID	Rate	Annual Hours	FY Budget	% City Funded
Hourly Positions Total				11,622.00	\$171,472.00	100.00%
1	Msw Case Planner		\$40.00	144.00	\$5,760.00	100.00%
2	Administrative Assistant (612)		\$15.00	1,400.00	\$21,000.00	100.00%
3	Instructor		\$20.00	335.00	\$6,700.00	100.00%
4	Instructor		\$20.00	335.00	\$6,700.00	100.00%
5	Youth Worker		\$12.00	776.00	\$9,312.00	100.00%
6	Youth Worker		\$12.00	776.00	\$9,312.00	100.00%
7	Youth Worker		\$12.00	776.00	\$9,312.00	100.00%
8	Youth Worker		\$12.00	776.00	\$9,312.00	100.00%
9	Youth Worker		\$12.00	776.00	\$9,312.00	100.00%
10	Youth Worker		\$12.00	776.00	\$9,312.00	100.00%

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Fringe Benefits

The maximum rate allowed for fringe benefits is **35%**. The rate includes all benefits under the Fringe Benefits category. Fringe Benefits may include FICA, MTA Tax, Unemployment Insurance, Workers Compensation, Disability, Life Insurance, Pension, and Medical Benefits. **Effective fiscal year 2017**, the minimum Fringe Benefit rate of 7.99% for FICA and MTA tax is required for all contracts.

If a Provider utilizes the service of the Fiscal Agent the minimum allocation for fringe is 12.99%. This represents 7.65% for FICA, .34% for MTA Tax plus a 5% estimated Unemployment Insurance rate.

Practices Related to Personnel Services

If a Provider wants to adjust the salary for an employee included on a DYCD budget, a budget modification would need to be submitted in HHS Accelerator Financials to DYCD for review and approval.

Time sheets for all full-time and part-time employees must be dated and signed by the employee and the employee's supervisor, and are subject to review by DYCD and its designees.

The Executive Director's time sheet must be signed by a member of the Board of Directors. The required director's signature may NOT be replaced by the signature of another member of management (e.g. comptroller or accountant).

Operations and Support Tab (OTPS)

This main category is for programmatic expenses other than Salaries, Fringe Benefits or Non-Staff Services. OTPS tabs within the DYCD budget must be filled out by Providers according to the guidelines set forth by their respective program areas. All allocations must be program related and costs must be prorated over the operating period. The following is a description of the OTPS categories:

Office Supplies

Consumable supplies that do not last or are not permanent in nature. This category includes office and maintenance supplies such as pens, stationery, chalk, erasers, towels, cleaning supplies and books.

Facilities Repairs & Maintenance

This category may include the cost of facilities and building maintenance. **No renovation or construction projects may be paid with funds from DYCD contracts unless otherwise specified in the contract.** However, some repairs may be allowed **subject to prior written approval by DYCD.**

Safety and Health

This category includes expenses for background checks of the Provider's employees and Facility Safety inspections. **Violations and fines may not be paid with funds from DYCD contracts.**

Waste & Recycling Removal

This category represents cost of waste/recycling removal services. **Violations and fines may not be paid with funds from DYCD contracts.**

Staff Transportation

Transportation costs refer to costs incurred for local travel by the employees to conduct official business related to the DYCD contract. Travel may be by public transportation, by a Provider's vehicle, or personal automobiles used for Provider business. Costs for the use of a personal automobile will be reimbursed at the maximum rate provided on the IRS website [IRS Standard Mileage Rate](#). A mileage log must be maintained for both personal and business-owned vehicles used to conduct business related to the funded program. **Tickets for traffic or parking violations may not be paid for with funds from DYCD contracts. Additionally, costs for employees to commute to and from work may not be paid with funds from DYCD contracts.**

Staff Training

This category includes expenses for professional development workshops, conferences and licenses required to maintain professional credentials relevant to the DYCD contract.

Postage

All postage related expenses relevant to the DYCD contract.

Recruitment and Advertising (Client)

Cost of materials associated with recruitment such as flyers, newspaper and online advertisements

Liability, Property, and Other Insurance

Cost of General Liability, Property, and Other Insurance charged to a DYCD contract

Vehicle Insurance

Cost of vehicle insurance associated with the DYCD contract.

Vehicle Operations and Maintenance

Providers must charge expenses for business-owned vehicles such as car maintenance, gasoline and tolls to this category. Provider-owned vehicles used for DYCD purposes must be co-insured with the City of New York as named beneficiary. **Tickets for traffic or parking violations may not be paid with funds from DYCD contracts.**

Real Estate Tax

This is not an allowable expense for DYCD funded contracts.

Bank Charges

Applies to standard banking fees associated with the DYCD contract. **Overdraft fees are not allowable expenses and may not be paid with funds from DYCD contracts.**

Printing

Printing costs (e.g., workshop materials, brochures, annual report, etc.) Recruitment and Advertising costs associated with clients should be budgeted under the Recruitment and Advertising (Client) category.

Client Transportation

All participant-related travel expenses, e.g., bus trips and local travel, is to be budgeted under this category. Bus companies used for transporting participants must be insured.

Client Supplies & Activities

May include allocations for workshop materials, admission fees on approved field trips, application and licensing fees to assist participants with outcome placement as well as awards, T-shirts, uniforms, sporting and recreational supplies

Client Stipends and Incentives/Bonus

1. Unless the RFP or other contract documents specifically require use of stipends or incentives as part of the program design, the DYCD funded Program must as part of the budget approval process explain, in writing, how the type and amount of incentive/stipend were selected and how the incentive/stipend advance the program. To ensure fair access to and fair distribution of incentives and stipends, DYCD funded programs seeking to use a stipend or incentive must also provide written notification to participants and volunteers regarding the stipend/incentive policy, at the outset of program participation. The notice must explain how the stipend/incentive will work. In addition, a copy of the notice must be provided to DYCD, along with the written explanation of the proposed stipend/incentive program being submitted as part of the budget approval process.
2. Programs will not be able to use program funds to pay volunteers (including mentors) for their time volunteering. Instead, Programs may thank volunteers by offering to defray the cost of their travelling by public transportation to the program location, by providing a subsidized meal or snack, or by recognizing volunteers with a certificate.

All use of program funds for payment of stipends and incentives are subject to review by DYCD program staff, and are also subject to audit by DYCD or DYCD's oversight agencies. Adequate records of expenses for stipends and incentives must be maintained, and those will include invoices for any items purchased and receipts signed by the specific individuals receiving any item.

In addition, appropriate safeguards must be followed. For example, items with a cash value, such as gift cards, must be maintained in a safe or other secure location. In all cases, proper procedures must be followed to make sure that only the intended recipients of the stipend or incentive receive them and then that the stipends/incentives are paid/distributed in accordance with the terms of the plan approved by DYCD.

Please note that for programs funded with federal funds, additional limitations do apply, including prohibition of use of federal funds for entertainment costs, compliance with the federal costs principles in 2 CFR Part 200 and programmatic guidelines and requirements that may be provided by certain programs.

Client Stipends

Stipends are only allowed for the benefit of participants (clients) of the program. Stipends may be included as a part of a training program, to assist a participant in acquiring the skills necessary to obtain employment and to subsequently retain employment. A *stipend means a payment in exchange for program participation* and may be paid according to hourly, daily or weekly rates. A stipend **must not** be used to displace an employee or position, including partial displacement such as a reduction in hours and wages, to avoid hiring salaried workers, or to perform services that would otherwise be performed by an employee, including an employee who recently resigned or was discharged, an employee who is subject to reduction in workforce, or an employee who is on leave. Stipends may not be used to pay for services being received by the Provider or to avoid payment of FICA, Unemployment Insurance, or Worker's Compensation Insurance. Stipend allocations are to be entered into the Client Stipends field within the OTPS tab. Additionally, any specific guidelines set forth by the respective DYCD Program area, must be followed. All stipends must be pre-approved by DYCD.

Incentive Payments/Bonus

Incentive means **money or a money equivalent or something with value used to incentivize program participation.** In contrast to a stipend, which is distributed on an ongoing basis, an incentive is paid at the end of a period or cycle to mark the individual's having done or achieved a goal or end. The incentives covered by this policy are cash or cash equivalents (such as a gift card) in any amount *or* gifts or prizes with value of \$25 or greater. For example, distribution of cartoon stickers to reward school children for regular attendance in a COMPASS program is not covered by this policy. However, giving a \$15 movie theatre gift card to participants who regularly attend a program is acceptable.

All such expenses must be properly supported with documents, such as invoices, that validate the expenses and with signed receipts indicating beneficiaries and time. Depending on the guidelines set forth by the respective DYCD Program area, additional supporting documents may also be required which may include but not limited to, the Provider's incentive plan and a participant award letter. All supporting documents are subject to audit.

Bonus payments to Provider staff, clients and volunteers are NOT allowed under DYCD contracts.

Prepared Meals

Food that is catered or bought from a restaurant (e.g. pizza, sandwiches, etc.). **Tips are not an allowable expense and may not be paid with funds from DYCD contracts.**

Raw Food

Food that is purchased from a store or supermarket (e.g. juice, water, granola bars, etc.).

Other

Expenses which do not fall into any of the categories described above are referred to as Other Operating Cost. Please include a detailed breakdown of the expenses in this category to the Document Vault.

Equipment Tab

Equipment purchases are supplies that are durable or permanent in nature, such as furniture, printers, fax machines, televisions, cameras, and computers. All equipment purchased with DYCD funds must be listed on the budget.

All equipment and/or furniture purchased with DYCD funds is the property of the New York City Department of Youth and Community Development, and must be tagged "Property of DYCD." At the end of the contract, all non-depreciated equipment that still has a useful life and was purchased with DYCD funds must be returned if requested by DYCD. DYCD will consider requests for continued use or other recommended disposition of such equipment, upon termination or non-renewal of a contract. Contact the assigned Program/Contract Manager regarding continued use or other disposition of equipment.

The Equipment category also includes costs associated with equipment rental, lease, licensing fees, computer software, repair and maintenance of office/programmatic equipment used in the performance of the Provider's operation. All items must be listed in the budget. Maintenance service contracts and payments for equipment repair and maintenance may also be reflected in this category. (Equipment or furniture leased with an option to buy may also become the property of DYCD at the end of the contract.)

An Equipment Purchase Inventory report will be required at the time of invoice submission.

For equipment \$500 or more (or CDBG funds are used \$250 or more) the following must be provided:

1. Equipment Amount
2. Invoice Amount
3. Item description
4. Serial number
5. Model number
6. Manufacturer
7. Date Purchase
8. Delivery Date

For equipment under \$500 (or CDBG funds under \$250):

1. Equipment Amount
2. Invoice Amount
3. Item description
4. Manufacturer
5. Date Purchase
6. Delivery Date

Utilities Tab

This category includes **Operations and Support** such as:

- Telephone
- Electric
- Water/Sewer
- Oil-Heating
- Gas-Heating
- Security Systems
- Internet Connectivity
- Mobile Phones
- Bundled Communication

Professional Services Tab

This category includes **Professional Services** such as:

- Accounting Costs
- Legal Costs
- Audit Expense
- Other *any allocation to the Other line must be accompanied with a description in the comments section

Allocations for AmeriCorps or City Year must be budgeted to this category.

Rent Tab

Space costs include expenses associated with paying for space necessary for the operation of a program. Space Cost is separated into two subcategories that will require additional fields:

Public School

Opening fees and room rentals paid to the Department of Education for school rental costs. Providers must complete a Space Cost Allocation Plan and provide the DOE permit.

Space Cost/Other

All rent, mortgage and other expenses associated with the use of a facility. Along with the budget, the Provider will be required to upload into the Documents tab a copy of their mortgage, lease, or month-to-month rental agreement. In addition, the Provider must upload a completed Space Cost Allocation Form. (Available on the DYCD website) The Agreement will reflect DYCD's allocated portion of the rental or mortgage charges. **No renovation or construction projects may be paid with funds from DYCD contracts unless otherwise specified in the contract.** Some repairs may be allowed, **subject to prior written approval by DYCD.**

Contracted Services Tab

Non-Staff Expenditures refers to the following categories: Consultants, Subcontractors and Vendors

Consultants

Consultants are individuals with specific skills retained to perform limited programmatic tasks or to complete program related projects on a temporary and/or limited basis, where the tasks or projects cannot be accomplished by the Provider's staff. The services provided by the Consultant must be related to the program work scope described in the contract. All consultants paid by the DYCD contract are required to be listed in this section.

Consultants cannot be salaried employees of the Provider. Consultants are self-employed individuals who maintain their own service and financial records.

For each consultant listed, a signed and notarized Consultant Agreement along with a recent resume must be uploaded to the Document Tab in the budget. Consultants retained by a Provider must enter into a written agreement detailing the specific tasks to be performed. Consultants will be allowed by DYCD only for those services that cannot be performed by Provider staff. If a consultant's services are required for an extended period, such an individual must be hired as an employee. Consultant Agreements and invoices must be maintained by the Provider for at least six (6) years. Consultant invoices must include the following details: rate, hours, type of services, date of service, consultant signature, and approval by the Provider's Executive Director or his/her designee.

Subcontractors

Subcontractors are independent entities retained to perform specific programmatic services. A Subcontract Agreement will be governed by the terms of the DYCD contract. The maximum percentage of subcontracting allowed is determined by the respective contract or program area contract based on the RFP.

Subcontractor with an annual budget of over \$100,000 will be required to complete the VENDEX (Vendor and Principal Questionnaires) and provide other information about the entity.

Subcontractors are to be listed in the Subcontractor section of the Contracted Services tab of the Budget. For each Subcontractor listed, upload a signed, notarized Subcontract Agreement with the subcontractor's EIN # and a listing of their Board of Directors to the Documents tab of the budget. **A prime Contractor shall not enter into any subcontract for the performance of its obligations without prior written approval from DYCD.**

After the agreement is made between Prime Contractor and Subcontractor to render services, the subcontractor must be approved by DYCD's Agency Chief Contracting Officer (ACCO) or designee in the Procurement Unit. Otherwise, the Provider runs the risk of not being reimbursed for services rendered.

All subcontract agreements submitted for approval must be accompanied with the City of New York Subcontractor Approval Form. Upon approval, DYCD will forward a copy of the approval form to the prime contractor for their records and will also approve the subcontractor in the Payee Information Portal (PIP) system. For more information please visit the PIP system at www.nyc.gov/pip.

The prime Contractor will be required to utilize the City's web based system, PIP, to identify all subcontractors in order to obtain subcontractor approval pursuant to New York City Procurement Policy Board (PPB) Rule section 4-13, and will also be required to enter all subcontractor payment information and other related information in such system during the contract term. Failure of the prime Contractor to list a subcontractor and/or to report subcontractor payments in a timely fashion may result in the Agency declaring the prime contractor in default of the contract and may subject the prime contractor to liquidated damages in the amount of \$100 per day for each day that the prime contractor fails to identify a subcontractor along with the required information about the subcontractor and/or fails to report payments to a subcontractor.

Vendors

Vendors are entities or individuals retained to provide services to the contractor and who do not provide direct program services; examples of services provided by vendors are cleaning, security, etc. Vendor Agreements must be maintained on file at the Provider for a minimum of six (6) years. Providers must follow the purchasing procedures outlined in the Fiscal Manual for the procurement of services from vendors (Section 4).

Unallocated Funds

This category includes allocations for the Central Insurance Program (CIP), **Fiscal Agent fees** and Van Maintenance fees. These items are covered and paid by DYCD. The costs are non-reimbursable and Providers will not have access to these funds.

Allocations for Subcontractor agreements that are pending approvals must go into this category as well. Once the Subcontractor agreement has been approved, the Provider must modify these funds to the Subcontractor line on the Contracted Services tab. No other items may be included in this tab.

Central Insurance Program

Providers have the option of buying into New York City's Central Insurance Program (CIP). The

package offered under this program includes General Liability Insurance, Workers Compensation and Disability Insurance. The insurance does not cover property loss and theft insurance.

The cost of the CIP Insurance Package is 4.5% of the contract’s total budget and must be allocated in the Unallocated Funds tab. CIP cannot be purchased for a portion of the contract term. Entering the Central Insurance Program covers the Provider for the full contract year.

Vehicle Maintenance

If the Provider has been assigned a city-owned vehicle, DYCD will provide maintenance through the Department of Citywide Administrative Services. A total of \$2,000 must be allocated in the Unallocated Funds tab for Vehicle Maintenance. This cost is centrally administered and is not reimbursable.

Fiscal Agent Services

DYCD has contracted with a firm to provide fiscal agent services to DYCD funded contractors. Providers have the option of purchasing the services of the Fiscal Agent who will:

- Establish financial records
- Maintain and report on available Provider budget balance
- Verify invoices
- Provide payroll services and personnel reporting
- Ensure the timely filing and payment of employment-related taxes
- Ensure that Accounts Payable and Ledger system and activities are in accordance with generally accepted accounting practices and procedures
- File Federal Tax Form 941 and 941B
- Prepare W2s, W3s, and 1099s

Fiscal Agent Fees

Fiscal Agent Services fees must be allocated in the Unallocated Funds tab in accordance with the scale indicated below. Separate fees must be allocated for each individual site for master contracts with multiple sites. Each sub budget must have a fee. Effective 7/1/18 the Fiscal agent fee has changed, see below.

<u>Contract Dollar Value</u>	<u>Fiscal Agent Service Fees</u>
\$2,500 -\$25,000	\$420
\$25,001 AND OVER	3% (OF EACH SUB BUDGET AMOUNT)

Note:

There is no Fiscal Agent fee required for Providers with standalone Discretionary contracts, valued under \$25,000. A Provider that chooses to be placed under, or is mandated to use, the services of the Fiscal Agent **must have all its non WIOA DYCD contracts administered by the Fiscal Agent.** The Fiscal Agent fees are centrally administered costs and are not reimbursable. Those agencies mandated for Fiscal Agent services will receive written notification from DYCD and will be required to allocate a Fee.

Indirect Rate (Indirect Costs)

The category “Indirect Rate” cannot be used by Providers administered through the Fiscal Agent since all costs must be itemized.

HHS BUDGET MODIFICATION POLICIES AND PROCEDURES OVERVIEW

A Budget Modification does not increase or decrease a contract award amount; it serves to reallocate money between line items of an already approved budget. Changes to the approved and registered budget may be submitted only as they relate directly to the accomplishment of services required in the contract. **Once a budget modification is initiated in HHS Accelerator Financials, the Fiscal Agent will not be allowed to submit invoices on behalf of the Provider and will not be paid until the modification is approved.**

The last day for budget modifications to be submitted is **April 30th of the Fiscal Year**. Providers with contracts that were registered after mid-March of the fiscal year are exempt from the deadline.

When submitting a Budget Modification through HHS Accelerator Financials:

- Use the Request for Budget Modification Form available on the DYCD website http://www.nyc.gov/html/dycd/html/resources/cbo_budgets.shtml
- Upload the completed form into the Documents Tab on HHS Accelerator Financials

The number of budget modifications allowed is based on the term of the contract. Providers must plan their programs and budgets carefully, since there is a limit on the number of allowable budget modifications.

Contract Term	Number of Budget Modifications Allowed
3 months or less	1 Modification
4 to 8 months	2 Modifications
9 to 12 months	3 Modifications

Requests are to be submitted through HHS Accelerator Financials, at least two weeks prior to their proposed effective date. No budget or programmatic changes may be made without prior written approval from DYCD.

Questions regarding the budget modification process must be directed to your DYCD Program Manager.

SECTION TWO: GENERAL PROCEDURES

BANK ACCOUNT

Providers using Fiscal Agent services are not required to establish a bank account for the DYCD contracts, as the Provider does not receive any payments from DYCD and all expenses are paid by a fiscal agent directly to the Provider's vendors.

If, however, a Provider already has a bank account or decides to establish one, expenses related to maintaining such account (i.e. bank fees) are not covered under the DYCD budget.

PURCHASING PROCEDURES/ GENERAL PROCUREMENT POLICIES

Any procurement of goods and/or services is to be conducted in the Provider's name. The Provider is responsible for ordering, receiving, inspecting and accepting merchandise. The name of the Department of Youth and Community Development, its officials, employees, or the City of New York must not be used, under any circumstances, for ordering and/or securing goods and services from a vendor. Invoices, bills, receipts, etc., must be issued in the name and address of the Provider. All expenditures must comply with applicable laws and contract regulations, and are subject to audit.

PURCHASING REQUIREMENTS/COMPETITIVE BIDDING

The procurement of goods shall be governed by the competitive bidding requirements described below. The purpose of competitive bidding requirements is to establish a procedure that will secure the best possible price for goods and services while allowing for appropriate competition. The procurement process must be open and competitive (that is, no vendor qualified to provide the goods or services may be restricted from bidding and there must be fair competition among those bidders). These procedures also apply to the rental or leasing of equipment. A procurement shall not be artificially divided to meet the requirements of this section. The monetary thresholds identified below refer to payments made or obligations undertaken during a one (1) year period with respect to any one (1) person or entity.

Purchases \$5,000 or less:

No competitive bids are required unless federal funds are used. If federal funds are used the threshold is \$3,500 or below for noncompetitive bids, provided the price is determined to be reasonable and prudent, subject to the limitation below for CSBG funds. **Documentation of the purchase must be maintained by the Provider. This documentation must include the name of the vendor, the item purchased, the date and amount paid.**

Purchases from \$5,001 - 25,000:

Provider shall conduct sufficient market research and/or competition to support its determination that the price of such purchased goods, supplies, services or equipment is reasonable. Documentation of the market research and the purchase must be maintained by the Provider. This documentation must include the name of the entities contacted, the vendor, and the item purchased, the date and amount paid.

Purchases over \$25,000:

A minimum of three (3) written bids must be obtained for the purchase of goods, supplies or services of similar items where the cost can reasonably be expected to be \$25,001 or greater. The bids must contain a description of the item requested, the time, date, place and form of requested responses, and the name of the employee responsible for securing bids. The bids must be maintained by the Provider.

Applies ONLY to CSBG Funded Contracts

Purchases of \$1 or greater

A minimum of three (3) written bids must be obtained for the purchase of goods, supplies or services of similar items. The bids must contain a description of the item requested, the time, date, place and form of requested responses, and the name of the employee responsible for securing bids. The bids must be maintained by the Provider. At least one of these bids must be a New York State certified M/WBE business. Additionally, it is encouraged that at least one other bidder be a New York State certified Service-Disabled Veteran-Owned Business (SDVOB).

Sole Source Procurement

Purchases exceeding \$5,000 of non-federal funds where a Provider is purchasing items that are sole source in nature, do not require bids. Sole source procurements are exceptions to normal purchasing procedures and are permitted only when there is one, and only one, potential bidder or offer for an item or service.

Examples of circumstances that could justify sole source procurements are:

- Newspaper advertisements
- Health and Liability Insurances, Workers Compensation
- Tickets to sporting events or theme parks
- One-time performances by artists for participants
- Utilities (gas, electricity, telephone)

Note: The selection of Consultants and Subcontractors are not subject to a formal bidding process, but must demonstrate a prudent and reasonable degree of care.

Proof of Delivery Date:

The Fiscal Agent will require proof of delivery date for goods purchased.

RELINQUISHMENT OR DISPOSAL OF EQUIPMENT

All furniture and equipment purchased with DYCD funds remain the property of the City of New York and must be returned at the end of the contract. Providers must contact their DYCD Program Manager to arrange for disposition of equipment.

If it is determined that the equipment bought with DYCD funds is fully depreciated and has no further useful value, please notify Contract Agency Finance, in writing, with a list of the equipment, serial number(s), model number(s) and purchase date. Providers will receive written notification with specific instructions regarding the disposal of equipment.

Inventory lists must include the method and reasons for disposition and the value of disposed equipment. In cases of loss or theft, property lists must include all pertinent information to support the claim. If appropriate, copies of police reports must be attached.

PETTY CASH FUND

To facilitate the payment of certain minimal charges that cannot be handled by check. It is important to remember that items purchased with Petty Cash Funds are subject to the same regulations and accounting practices as expenses paid by check.

The Petty Cash Fund must be maintained in a secure place to safeguard against loss from unauthorized use or disposition. In the event of loss due to theft or fire, the Provider will NOT be reimbursed for loss of the Petty Cash Fund.

Petty Cash Fund Use

A Petty Cash Fund shall be governed by the following rules:

1. A Petty Cash Expense may not exceed **\$200 dollars per total purchase**.
2. The Provider's Executive Director or a designee must authorize petty cash expenses.
3. When a cash payment is made from the Petty Cash Fund, a Petty Cash Voucher (**available on DYCD's website**) together with receipt is placed in the petty cash box.
4. Therefore, the total of cash remaining in the box plus the total value of vouchers must equal the petty cash fund amount.
5. Each voucher must be supported with a receipt or invoice which shows the date of purchase, item purchased, the cost, and who made the purchase. Attach each receipt to its proper invoice.
6. Each expense from the petty cash voucher must be journaled in the Provider's general ledger to the appropriate expense account with an offsetting entry to the petty cash account.
7. Periodically, when the amount of cash remaining in the box requires replenishment, a check is drawn for all vouchers in the box. Cash from the check is placed in the petty cash box to replenish the Petty Cash Fund to its full amount. The reimbursement check amount is to be credited to the applicable operating cash account with an offsetting debit to the petty cash general ledger account. A separate Petty Cash Voucher Form must be used for the replenishment of the Petty Cash Fund.
8. A monthly reconciliation of Petty Cash funds with the petty cash general ledger account must be performed.
9. The Provider is not allowed to commingle DYCD funds used for petty cash. A separate general ledger account must be established to account for DYCD petty cash.

Examples of reimbursable expenses for which use of petty cash may be appropriate:

- Local travel by public transportation
- Programmatic supplies
- Postage (The purchase of one hundred stamps will be allowed through petty cash.)

Examples of non-reimbursable expenses are:

- Personal expenses
- Alcoholic beverages for a staff party

Non-Reimbursable Expenses

The following expenses are not allowed by DYCD:

1. Expenses outside of the budget operating period are not allowed. This includes payment of back taxes.
2. Funds cannot be used for litigation expenses, cost of paying legal settlements, or costs for paying legal judgments.
3. Expenditures for items neither budgeted nor allowable under DYCD, Federal, State and City laws, regulations and guidelines for Providers
4. Purchase of land and buildings
5. Taxes from which municipalities are exempt (Sales Tax, NYS Franchise Tax, Federal Unemployment Tax (FUTA)
6. Capital improvements, which are defined to mean the erection of substantial structures which are capital in nature, or the valuable additions to or valuable modifications of real estate; this includes expenditures for hard surfacing, cement installations, substantial repairs to a building, basic heating, lighting or sanitary equipment and installation, permanent outdoor lighting systems, fencing (except for partial fencing justified as a safety device), swimming and wading pools and tennis courts;
7. Personal membership fees in clubs or professional Providers and associations
8. League franchise fees in the name of an individual
9. Interest and penalty costs
10. Activities for which a provider has already charged a fee to participants
11. Activities that are normally considered a part of the regular school day
12. Activities of a commercial nature
13. Expenditures for pre-paid payroll or consulting services. The date on the check (pay date) must be on or after the period of service
14. Expenditure for fund raising activities
15. Expenditures for stipends when used to replace existing staff and/or for the primary purpose of saving money by using low cost labor, and to avoid paying fringe benefits, or to replace other funding. Special exceptions may be made in advance with approval from DYCD and Office of Children and Family Services, when no other sources are available and stipends are critical for the implementation of the program model
16. Prizes other than inexpensive awards such as trophies, medals or ribbons
17. Medical liability insurance and fire insurance on capital structures
18. Security Deposits
19. Bonuses
20. Severance payment
21. Tips and Gratuity

- 22. Alcoholic Beverages
- 23. Bad Debt
- 24. Entertainment costs if federal funds are used.

Questions regarding acceptability of specific items may be emailed to the Fiscal Agent or the CAFDhelp@dycd.nyc.gov.

YEAR END CLOSE OUT

THE PROVIDER MUST RECEIVE GOODS AND SERVICES BY THE LAST DAY OF THE CONTRACT PERIOD. The Provider must perform all contract services and receive all goods and vendor services by the last day of the budgeted operating period. Employer's FICA and New York State Unemployment Insurance (SUI) expenses applicable to salary expenditures incurred and paid through the last day of the contract period must be included. Any expenditure made for goods and services which are received after the last day of the contract/budget period will NOT be accepted as an authorized expenditure. There are no exceptions to this rule

DEADLINE FOR SUBMISSION

The deadline for submission for Final bills, receipts and/or reimbursement is **no later than sixty (60) days** after the end date of the budget operating period. Budgets ending June 30th have a deadline of August 31st. Failure to meet this deadline will result in the disallowance of all late submissions.

The same due date pertains to any documents and /or information supporting expenses already processed by the Fiscal Agent (i.e. original, signed invoices for goods purchased on the quote, serial numbers of equipment items, etc.). Failure to timely submit supporting documents will result in charges to the Provider for inadequately documented expenses.

FISCAL MONITORS/AUDITORS

A DYCD internal auditor or designee will visit a Provider. All books and records pertaining to DYCD funds must be made available for inspection. Failure to schedule visits or failure to provide access to records upon request will be grounds to place your Provider on check hold and may jeopardize continued funding.

SECTION THREE: FISCAL AGENT POLICIES AND PROCEDURES

A. GENERAL PART

THE BEGINNING

The budgets approved by DYCD are the basic documents for establishing or updating the Provider data records in the Fiscal Agent's computerized database. Once the budgets are transmitted or active, the fiscal agent will send the Provider an introductory letter along with a signature authorization form to be completed. The fiscal agent will then establish and maintain separate accounting and related records for each contract received by a Provider from DYCD.

Accounting records are maintained on a City fiscal year basis and in accordance with generally accepted accounting principles (GAAP), DYCD policies and procedures and any additional regulatory requirements applicable to a funding source, such as the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards under 2 CFR Part 200 et.al., also referred to as the Super Circular or Uniform Guidance. An electronic link for the Uniform Guidance is [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title 02/2cfr200_main_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title%202/2cfr200_main_02.tpl).

Fiscal Agent shall provide Financial statements to Provider upon request.

BANK ACCOUNT

As required by DYCD, the Fiscal Agent maintains a separate bank accounts for contracts administered under the Fiscal Agent. The Fiscal Agent receives the advance and/or reimbursement checks from DYCD and deposits and disburses funds through this account. Revenue and expenses are reconciled with DYCD records monthly. Providers assigned to the Fiscal Agent do not receive advances or reimbursements from DYCD. Their liabilities should be paid directly by the Fiscal Agent based on the approved budget and the documents submitted by the Provider. Funds become available for the Provider upon registration of the contract with the NYC Comptroller's office.

REPORTING

The Fiscal Agent prepares and submits monthly expense reports to DYCD for each contract in the below formats:

- Program Expense Report Summary (PERS)-Hardcopy
- HHS Accelerator Financials Invoice -Online

The procedures governing the PERS and HHS Invoices can be found on the DYCD website:

- Comprehensive Contract Management System CCMS Program Expense Report Summary Fiscal Manual
- HHS Accelerator Fiscal Manual

AUDITING AND CONTROL

The Fiscal Agent must establish an internal control structure. The objective of internal controls is to provide management with reasonable assurances that transactions are executed in accordance with applicable laws and regulations, and reported properly.

The Fiscal Agent's books and records, as well as all documentation submitted by the Provider, are audited yearly by DYCD's contracted independent Certified Public Accountants.

B. PAYROLL POLICIES AND PROCEDURES

GENERAL POLICY

Provider's employees are paid in accordance with the approved -registered budget in CCMS or active budget in HHS Financials Accelerator. To be enrolled into the centralized payroll system, a Provider must submit official documentation verifying both its Federal Employer Identification Number (EIN) and State Unemployment Insurance (SUI) identification numbers. Proof of SUI and EIN numbers must be submitted in the form of an IRS notice of Federal Employer Identification number and a New York State Notice of State Unemployment rate. If the Provider is claiming exemption from Federal Unemployment Tax under section 501c (3), official documentation indicating the Provider's status must be submitted to the Fiscal Agent.

Additionally, A Power of Attorney For Tax Filing Representation, along with Provider's Signature Authorization and Payroll Pick - Up Authorization forms must be submitted. As per IRS policy, Power of Attorney must be renewed every three years.

HIRING A NEW EMPLOYEE

Before a Provider can hire an employee, it must verify that an available line exists in its approved budget. Upon hiring an employee, the Provider must submit to the Fiscal Agent the following completed documents:

- PERSONNEL ACTION FORM (PA1)** – The Personnel Action form must be signed and dated by the employee and the Director or Chairman. When a director is hired, the Chairperson must sign the Personnel Action form. In addition, the minutes of the board meeting during which the hiring of the Director was approved must be submitted.

- W-4 FORM** – Employee's Withholding Allowance Certificate - if claiming student exemption, the employee must submit proof of status as a student. A current bursar's receipt is an acceptable form of proof.

- NYS NEW HIRE NOTIFICATION (FORM PA2)**

When filing for a new employee on a previously occupied personnel line, a Provider must ensure that the approved accrued annual leave time has been liquidated prior to hiring the new employee. To accomplish that, the Provider must obtain the accrued annual leave time of the previous employee and the date the line will be available for hiring from the Fiscal Agent

TERMINATIONS OR RESIGNATIONS

When an employee is terminated, a Termination Directive must be completed and submitted to the Fiscal Agent. The reason(s) for the termination must be stated on the form.

If an employee resigns, the original resignation letter and a Termination Directive form must be submitted to the Fiscal Agent.

EMPLOYEE TIME SHEETS

Time Sheets must be submitted to the Fiscal Agent on the designated submission day or no later than 12:00 p.m. on the day immediately following the submission day.

Failure to comply with the submission deadline will delay the paycheck for the affected employees until the following payroll date. The Time Sheet must be fully completed and signed by the employee and by the designated Director or Chairperson. The Time Sheets are to be assembled by each Provider and submitted with a transmittal form. The transmittal form should also indicate if any terminations or personnel action forms are being submitted.

In the event a Time Sheet is received with incomplete or incorrect information; the payroll supervisor will contact the Provider's Director. A paycheck may be prepared and held until the revised time sheet is submitted.

The Payroll Office will supply the Provider with blank payroll forms, blank timesheets, a payroll schedule list, a holiday list, vacation/sick time balances, copies of payroll earnings and payroll budget line by line reports, as required and/or when requested.

The Provider is required to clock-in all forms being submitted to the Fiscal Agent.

PAYROLL PROCESSING CYCLE

Payroll is processed bi-weekly. When the Fiscal Agent receives Time Sheets from the Provider, they are reviewed to ensure that they contain the proper signatures and that the total hours worked is a sum of the detail hours. All employee forms are reviewed for completeness and accuracy. Processing is performed on new hires, terminations, rate changes, hours to be paid, and personal information. Updates to the payroll personnel master files will occur before each payroll cycle begins. Payroll checks are available one week after the payroll ending date, as indicated on the payroll schedule.

PAYROLL DISTRIBUTION

Checks, registers and new timesheets for the following pay period are grouped by Provider number. The Fiscal Agent distributes the checks and requires that persons picking up checks are authorized to do so. Checks not picked up on the designated day are returned to the safe. A Provider can pick up checks during regular business hours.

ADDITIONAL PAYROLL CYCLE

Individual payroll cycles are generated for replacement checks and retroactive pay as appropriate.

PAYROLL DEDUCTIONS

When execution orders are received for garnishments, family support, levies, union dues or any other type of miscellaneous deduction, it must be submitted to the Fiscal Agent for processing. The execution orders are filed in the employee's personnel folder. The amount required will be automatically deducted from the employee's payroll check on a biweekly basis until the execution order is properly satisfied.

MISCELLANEOUS FORMS

The Fiscal Agent’s Payroll Division is called upon to complete a variety of forms from government and private institutions. These include housing forms, social security inquires, employment verifications, etc. a copy of each form is kept with the employee’s records.

WITHHOLDING TAX DEPOSITS

The Fiscal Agent makes deposits of withheld taxes within three business days following the payroll distribution date:

Federal deposits are forwarded to the IRS electronically, along with the schedule indicating payment for each taxpayer.

State and City deposits are paid by the Fiscal Agent’s check and forwarded to the NYS Department of Taxation along with the applicable forms NYC-1-MN indicating a liability for each taxpayer.

TAX REPORTS:

The Fiscal Agent generates enumerated tax reports for each taxpayer, based on the records indicating payroll processed by the Fiscal Agent:

<u>Tax Forms</u>	<u>Prepared</u>
Federal Form 941 & A&B	Quarterly
State Forms NYS-45 & NYS-45-ATT	Quarterly
Federal Form W-2 and W-3	Yearly
Federal Form 1099 and 1096	Yearly

To determine the Fiscal Agent or Provider responsibility for tax reporting and payments, the Provider must complete the “Taxpayer Status” form and indicate whether the Provider is single or multi-funded regarding payroll.

SINGLE-FUNDED Provider

A Provider that has salaries and wages paid with DYCD contracts only managed by the Fiscal Agent is considered single-funded. Quarterly and annual withholding tax reports are completed by the Fiscal Agent and filed with the IRS, NYS Department of Taxation and Social Security Administration. The Fiscal Agent also handles all inquiries pertaining to these tax reports and tax payments.

- Form W -2 is forwarded to the Provider for distribution to its employees. The Provider must retain copies for their records.
- Forms 1099 and 1096 for a Single-Funded Provider are also completed by the Fiscal Agent, filed with IRS and sent to the individual taxpayers. Copies are forwarded to the Provider for their records.

MULTI-FUNDED CBO

A Provider that has salaries and wages paid through the DYCD contracts managed by the Fiscal Agent and through any other payroll service is considered multi-funded.

The Fiscal Agent prepares partial quarterly tax reports and marks these reports as “incomplete.” Information in these partial reports reflects only payroll and related taxes processed by the Fiscal Agent. The Provider is responsible for completing the consolidated tax reports and filing these with the authorities. The Provider is also responsible for total tax payments and for handling any tax related inquiries.

Originals of forms W-2, W-3, 1099 and 1096 are forwarded to the Provider for distribution and filing with the authorities. The Provider retains a set of copies.

Providers that have a nonprofit internal revenue code 501C (3) determination, are exempt from federal, state, city and FUTA business taxes, but are responsible for any penalty & interest assessed due to a late tax filing and/or payment.

TIME AND LEAVE POLICY

Each recipient of a DYCD contract is considered a separate and autonomous entity governing its own affairs. Consequently, staff is employed by the Provider only, and the Provider alone is responsible for their work, direction and compensation. The Provider is liable for any obligation incurred in connection with the suspension or termination of any of its employees. This policy sets forth the maximum time and leave permitted by a Provider for its employees, whose salaries are budgeted in its contract with DYCD.

ANNUAL LEAVE TIME

Full-time employees shall accrue annual leave as follows:

Years in Service	Annual Leave	Monthly Accrual
At the beginning of the employee's 1st year	10 Work Days	1 day per month after the first 2 months
At the beginning of the employee's 2nd year	13 Work Days	1 day per month plus 1 additional day at the end of the 2nd year
At the beginning of the employee's 4th year	15 Work Days	1 ¼ days per month
At the beginning of the employee's 5th year	20 Work Days	1 2/3 days per month

HOLIDAYS

The following are the Legal Holidays officially observed:

- | | |
|-------------------------------|------------------|
| New Year's Day | Columbus Day |
| Martin Luther King's Birthday | Election Day |
| President's Day | Veterans Day |
| Memorial Day | Thanksgiving Day |
| Independence Day | Christmas Day |
| Labor Day | |

SICK LEAVE

Full-Time employees shall accrue one day per month for sick leave for a total of 12 days per year. Sick leave for part-time employees shall be accrued on a prorated basis in proportion to the scheduled number of hours worked.

Sick Leave can be used only for an employee's own illness. The Provider's authorized representative or designee may at any time require an employee to provide a doctor's note documenting illness. However, medical documentation is mandatory when sick leave exceeds three consecutive days.

COMPENSATORY TIME

Compensatory Time is defined as time worked in excess of budgeted hours. One hour of compensatory time is earned for every hour of authorized overtime worked. All approved overtime earned shall be liquidated in the form of compensated time only.

Executive employees shall not receive compensatory time. Executive employees are defined under the following titles:

- **Executive Director**
- **Deputy Director**
- **Associate Director**
- **Assistant Director**
- **Program Director**
- **Program Coordinator**

Annual leave or compensatory time balances may not be carried from one fiscal year to another. Consequently, annual leave and compensatory time earned during a program year must be exhausted by the end of the budget period. Unused balances of sick leave may be carried into successive program years. However, there is no compensation for unused sick leave.

MATERNITY LEAVE

Both full-time and part-time employees are eligible for paid maternity leave disability under the fringe benefits package for a period of no longer than six weeks. Up to six weeks are payable upon medical proof of complications.

The employee and doctor must complete a "notice and proof of claim for disability benefits" form and submit it to the Fiscal Agent to apply for disability benefits. Disability benefits begin after the employee has exhausted all accrued sick leave time or on the seventh day after the disability began, whichever is longer.

The employee cannot be terminated while on the first six weeks of disability maternity leave and is entitled to all eligible benefits. The employee may extend maternity leave longer than the six weeks if it is mutually agreeable to the Provider's Executive Director. However, the employee will not be entitled to receive benefits.

DISABILITY

Both full-time and part-time employees are eligible for paid Disability Insurance under the Fringe Benefits package up to a period of twenty-six weeks. The employee and his/her doctor must complete a "Notice and Proof of Claim for Disability Benefits" form and submit it to the Fiscal Agent to apply for Disability Benefits. Disability Benefits begin after the employee has exhausted all accrued sick leave or on the seventh day after the Disability Benefits began, whichever is longer.

DEATH IN THE FAMILY

Absence shall be excusable without charge to sick leave or annual leave balances, not to exceed four workdays, in the case of death in the immediate family. Immediate family shall be defined for this purpose as spouse, natural, foster, or step parent, child, brother or sister; father-in-law; mother-in-law, or any relative including relative-in-law residing in the household of the employee. Documentation is required under this category.

The four days should immediate follow the death. If two deaths occur within the four-day absence, the new four-day period will run concurrently with the first.

C. CONSULTANTS/ CONTRACTORS/ CONDUITS/ SUBCONTRACTORS/ STIPENDS /CONSULTANTS

1. Consultants

Consultants hired for a fee per hour/day/week must present to the Provider the time-sheets for the contract period indicating the time committed and the charges. Time-sheets can be substituted by an itemized invoice providing the required information.

Consultants hired for an event/ performance should present an invoice indicating the date of the event and services provided. Invoice can be substituted by an agreement/contract indicating the required information.

Time-sheets and invoices should provide the consultant's name and address and SS/TIN number for 1099 purposes. They must be signed by the consultant and approved by the Provider's authorized representative. under no circumstances should the Provider pay a consultant without documenting the charges.

Note: Consultants cannot be salaried employees of the Provider.

2. Subcontractors

A Subcontract Agreement will be governed by the terms of the DYCD contract and must be approved in writing by DYCD and listed on the budget. Programmatic services provided must be documented by a Subcontractor Agreement describing the scope of services, period and a rate of pay. An invoice signed by a sub- contractor and approved by the Provider's Executive Director is required.

3. Stipends

The Stipend Voucher form must be completed and signed by the participant and Provider's Executive Director. The Provider's records can be substituted when they provide the same information as the stipend voucher.

4. Vendors

Non – programmatic services provided by another business entity may be documented by the vendor's agreement describing the scope of services, period, rate of pay, and an invoice signed by a vendor and approved by the Provider's Executive Director. An itemized invoice indicating the required information can be substituted.

D. OTHER THAN PERSONNEL SERVICES (OTPS)

DIRECT PAYMENTS TO MERCHANTS

All invoices are time stamped by the Fiscal Agent to document the date of receipt. Verification of each invoice includes, but is not limited to:

- An invoice must be issued to the Provider's name and address. It must be a dated, original and conform to DYCD guidelines. This includes supporting documentation (e.g. bids). Invoices exceeding a threshold determined in DYCD Fiscal Manual- Purchasing Requirements should have bids attached to the Invoice to be accepted for processing.
- Any invoice issued to an individual's name is a subject to rejection, unless the Board Member submits a written explanation confirming that the invoiced expenses are utilized by the Provider and for the program's benefit.
- Invoice must be authorized for payment with an original signature of the Provider's Director or Chairperson.
- Invoice must include a clear description of the item purchased to ensure a correct classification of expenditure to the appropriate line item budget category.
- The total amount must be mathematically correct. Only a current charge is eligible for payment. Any balance due from previous months must be supported by original bills for that period.
- A valid lease agreement signed by the landlord and the Provider's Director is necessary for processing the recurrent rent payments. It can be substituted by a letter from the landlord providing the necessary information (lease term, monthly charges).
- A Provider with more than one DYCD contract shall instruct the Fiscal Agent on how to charge particular contracts with payments to be processed.

All OTPS payments are mailed out directly to the merchants, unless the Provider requests otherwise on the invoice.

Please Note: Some payments to merchants are based on order forms or quotations. An original invoice/cashier's receipt must be submitted to the Fiscal Agent upon receiving goods or services by the Provider. To avoid duplicate payments, the Provider shall mark the invoice as "processed". If the Provider did not receive an original invoice the Fiscal Agent may also accept an order along with an itemized delivery slip.

Note: Proof of delivery is required for all invoices dated on (or three (3) days before) June 30.

DIRECT REIMBURSEMENT TO THE CBO FOR EXPENSES ALREADY PAID

A Provider's expenses should be processed by the Fiscal Agent and paid directly to the recipients. There are three exceptions to that policy:

- The Provider began services prior to the registration of the contract and it was necessary for the Provider to pre-pay certain expenses to operate the program.
- The Provider is a Discretionary multi-funded organization that uses its own payroll service for the entire agency. It is understood that changing payroll service just for the DYCD contract would be a hardship to the Provider and would complicate the preparation of its tax returns.
- The Provider paid for petty cash expenses.

Direct reimbursement is made payable to the Provider and is processed based on the same documents that are required for processing payments to employees and/or vendors/ merchants. Additionally, since a reimbursement is a refund of the Provider's program expenses, each transaction must be documented as paid by the Provider.

An acceptable proof of payment includes: a copy of cancelled check (or written check and a copy of the bank statement); a copy of the credit card statement; a copy of the bank statement for direct debits. In the case of cash payments, the invoice should be confirmed by a merchant as paid in cash.

DIRECT REIMBURSEMENT OF SALARIES AND WAGES

The below documents are required for reimbursement of Salary and Wages paid through the Provider's payroll service or by the Provider directly.

- A cover letter requesting a reimbursement and indicating name, title, pay period and salaries/wages paid to each employee.
- Copies of cancelled checks and a copy of payroll register (or a copy of direct deposit register indicating the voucher #).
- A signed copy of form W4 for each employee.
- An approved Personnel Action form (or hire form) for each employee.
- A signed and approved copy of time-sheets (time-cards or other time-records) that were used to calculate payment.

Note: Salaries and Wages are reimbursable based on the DYCD line item budget.

Fringe Benefits can be reimbursed for employees paid from the DYCD contract only. Proof of payment must be made for FICA tax, Unemployment Insurance Tax, Disability and Worker's Compensation claims. Copies of cancelled checks and a document indicating cost calculations, for

example a spreadsheet, payroll service register or a copy of the tax return, may constitute this proof.

Reimbursement for an insurance payment requires a submission of the policy indicating the period, the amount of the insurance or an invoice. A copy of the cancelled check is also required.

SECTION FOUR – APPENDIX

FORMS USED BY FISCAL AGENT IN COMPLIANCE WITH DYCD POLICY (NOT INCLUDED IN DYCD FISCAL MANUAL)

- PAYROLL FORMS TRANSMITTAL
- PERSONNEL ACTION FORM
- NEW HIRE NOTIFICATION
- EMPLOYEE TIME-SHEET
- EMPLOYEE TERMINATION FORM
- TAXPAYER DECLARATION
- AUTHORIZED SIGNATURES FORM
- PETTY CASH FUND REQUEST
- LOCAL TRAV