



**Department of
Youth & Community
Development**

123 WILLIAM STREET, 18TH FLOOR
NEW YORK, NY 10038

BILL DE BLASIO
MAYOR

BILL CHONG
COMMISSIONER

JAGDEEN PHANOR
CHIEF FINANCIAL OFFICER
BUREAU OF BUDGET AND FINANCE

HHS ACCELERATOR FINANCIALS ASSISTANCE
HELP@MOCS.NYC.GOV

CAFD HELP DESK
646-343-6960

LAST REVISED: JANUARY 9, 2019

FISCAL MANUAL FOR HHS ACCELERATOR FINANCIAL USERS

**USERS: CORNERSTONE, YAIP, FATHERHOOD,
IMMIGRATION, RHY, SONYC & COMPASS,
BEACON**

TABLE OF CONTENTS

INDEX	3
INTRODUCTION AND OVERVIEW	4
SECTION ONE: The Budget	6
SECTION TWO: Budget Modifications	24
SECTION THREE: Internal Controls and General Accounting Procedures	26
SECTION FOUR: Purchasing Procedures	32
SECTION FIVE: Credit/Debit Cards Policies and Procedures	35
SECTION SIX: Petty Cash Policy	38
SECTION SEVEN: Generated Income	41
SECTION EIGHT: HHS Accelerator Financials Invoices and Payments	43
SECTION NINE: Year End Close Out	51
SECTION TEN: Central Insurance Program	54
SECTION ELEVEN: Audit	57

Index

Appendix of Forms:

The latest version of the forms and documents listed below are available on the DYCD website at:

<http://www.nyc.gov/html/dycd/html/resources/cbo.html>

All applicable forms must be uploaded into HHS Accelerator Financials including:

1. [Audit Cost Allocation Form](#)
2. [Request for Budget Modification 2018](#)
3. [Certificate of Liability Insurance Sample](#)
4. [Certificate of Liability Insurance listing DOE or NYCHA](#)
5. [Certification by Broker](#)
6. [Consultant Agreement](#)
7. [Consultant Agreement Modification Form](#)
8. [EFT Enrollment Form \(Direct Deposit\)](#)
9. [Petty Cash Voucher](#)
10. [Space Rental Cost Allocation Form](#)
11. [Subcontract Agreement](#)
12. [Subcontract Agreement Modification Form](#)
13. [Subcontract Agreement For Fiscal Conduit](#)
14. [Subcontractor Approval Form](#)
15. [Salaries and Wages Justification Details](#)
16. [Equipment Purchase Inventory Report](#)
17. [10% De Minimis Decline Acknowledgement Form](#) (Indirect Costs)

Frequently Used Acronyms:

ACCO:	Agency Chief Contracting Officer
CIP:	Central Insurance Program
DYCD:	Department of Youth and Community Development
EFT:	Electronic Fund Transfer/Direct Deposit
EIN #:	Federal Employer Identification Number
FMS:	Financial Management System
FTE:	Full-Time Equivalent
HHS:	Health and Human Services Accelerator
PIP:	Payee Information Portal
PS:	Personnel Services
OTPS:	Other Than Personnel Services
SUI:	State Unemployment Insurance

Introduction and Overview

The Bureau of Budget and Finance (BBF) is responsible for monitoring the fiscal compliance of DYCD's human services contracts. Depending on the funding stream, there are different regulations which govern the administration and expenditure of program funds. To provide guidance to our Providers, DYCD has developed four fiscal manuals based on program and funding sources:

- HHS Accelerator Financials (HHS)
- Comprehensive Contract Management System (CCMS)/ Program Expense Summary Report (PERS)
- Workforce Innovation Opportunity Act (WIOA)
- Fiscal Agent (YMS)

All four manuals are available on DYCD's website in the Fiscal Manuals section under CBO Financial Services.

The requirements outlined in this Fiscal Manual for HHS Accelerator Financials Users apply to Cornerstone, YAIP, Fatherhood, Immigration, Runaway and Homeless Youth, SONYC & COMPASS program providers ("Providers").

New RFP contracts may be required to use HHS Accelerator Financials. Providers will be notified accordingly.

Bureau of Budget and Finance (BBF) Overview

BBF has three units that interact with Providers. Below is a description of each unit and its functions.

Budget Review & Risk Management Unit

Budget Review is responsible for ensuring that budgets and budget modifications are in compliance with City of New York and DYCD rules and regulations regarding budgetary requirements and fiscal accountability. Budget Review is also responsible for providing final approval of all budgets and budget modifications submitted by DYCD Providers.

Budgets and Budget Modifications must be submitted via HHS Accelerator Financials and will be routed to the assigned DYCD Program Manager. Once approved by the DYCD Program Manager, budgets and budget modifications will be routed to Budget Review for final approval.

Risk Management coordinates New York City's Central Insurance Program (CIP) for Providers that do not have their own general liability insurance. CIP includes specific insurance (General Liability, Worker's Compensation and Disability) that pertains to DYCD funded activities.

This unit is also responsible for collecting and maintaining the general liability insurance certificate of each Provider not participating in CIP to ensure compliance with contract insurance requirements.

Contract Agency Payment Unit

The Contract Agency Payment Unit is responsible for receiving HHS Accelerator Financials Invoices, analyzing data, issuing payments and providing guidance on policy decisions for contracts paid through HHS Accelerator Financials.

All contracts will be assigned to a Fiscal Analyst. The Fiscal Analyst will serve as the Provider's contact person for policy and payment inquiries.

Once a contract is registered with the NYC Comptroller's office and there is an active (approved) budget, the Provider will receive a notification from HHS Accelerator Financials. At this point, Providers are eligible to receive a three month initial advance. Initial advances will NO LONGER be automatically issued by DYCD.

Providers must request an initial advance through HHS Accelerator Financials. There is a process in the system for requesting advances. Please indicate "Initial Advance" on your request. See detailed instructions on pages 43-45.

Contract Agency Audit Unit

The Contract Agency Audit Unit is responsible for conducting Audits and Fiscal Field Reviews (FFRs) of funded programs as well as evaluating related audits and reviews performed by independent Certified Public Accountants. This unit also issues Corrective Action Plans, often in conjunction with program staff, and provides technical assistance to Providers.

SECTION ONE

THE BUDGET

BUDGET 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.

Fiscal Year Budget Information					
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
					<input type="button" value="Save"/> <input type="button" value="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 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 now 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 of 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 the case may be, as Additional Insured. 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.

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 are able to 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 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 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 annual salary column must reflect the employee’s full annual salary at the organization notwithstanding the amount budgeted to the contract. As reflected in the chart below, the annual salary for Budget Manager is \$78,021 and the amount allocated to this contract is \$3,901.

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%

Export
Page 1 of 1

	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%

Export
Page 1 of 2

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 pro-rated 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 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 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 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, annual report, etc.) with the exception of related costs for recruitment purposes.

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 actually 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 of time 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 period. 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 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 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:

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 CityYear 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 contractor'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 contractor. 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 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 Sub-Contractor 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 into 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. Effective 7/1/18 the Fiscal agent fee has changed, see below.

DOLLAR VALUE
\$2,500 - \$25,000

FISCAL AGENT SERVICE FEES
\$420

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.

Indirect Rate (Indirect Costs)

DYCD reimburses Providers for all contractual costs based on an expense line-item on the submitted invoice (this applies to both direct and indirect costs). While the Indirect Cost calculation is based on the percentage identified by the Provider for that contract, we reimburse Providers based on a monthly expense report submission where Providers would specify the amount under all items including the Indirect Cost line-item. A Provider may only claim the prorated monthly average for indirect cost (i.e., if a provider has an approved 12-month indirect allocation of \$12,000, the monthly claim should not exceed \$1,000 (1/12th). Front loading of indirect costs is not allowed.

The Indirect Rate category is used to capture overhead costs incurred by a Provider that operates several programs and has administrative costs that cannot be identified as a direct cost to a specific program. Providers with multiple programs where some administrative costs are shared may incur indirect costs.

EFFECTIVE FOR ALL FY18 CONTRACTS AND GOING FORWARD, DYCD WILL BE INCREASING THE REIMBURSABLE PROVIDER INDIRECT RATE FROM 10% TO 12%.

The maximum Indirect Cost rate allowed by DYCD is 12% of the total budget amount; except for those contracts utilizing federal funds subject to the federal Uniform Guidance at 2 CFR Part 200 (see below). All Indirect Cost over 10% requires documentation certifying the indirect cost rate.

PLEASE SEE BELOW FOR WHAT IS REQUIRED FOR FEDERALLY-FUNDED CONTRACTS AS WELL AS CITY TAX LEVY (CTL) AND OTHER NON-FEDERAL CONTRACTS.

Federal Funded Contracts:

- If Provider has an approved federal indirect cost rate issued by a federal “cognizant agency”, DYCD will honor the rate. A copy of the federal approved rate letter must be submitted to DYCD with the budget.
- If Provider has a federal indirect cost rate greater than 10% and is willing to accept a lower rate, the Provider must complete a DYCD decline form acknowledging its willingness to accept a lower rate. See: [10% De Minimis Decline Acknowledgement Form](#).
- If Provider never had a federal indirect cost rate, DYCD will allow up to 10% De Minimis Rate.

- If Provider has an indirect rate higher than 10% but does not have a federal approved rate, an independent CPA letter certifying the provider’s indirect cost must be submitted to DYCD with the budget. DYCD will then allow reimbursement of indirect costs up to a maximum of 12% utilizing CTL funds but in no event greater than an increase of two percent of the indirect costs.

Non-Federal Funded Contracts:

- If Provider does not have an indirect cost rate, DYCD will allow up to a maximum of 10% of indirect cost rate.
- If Provider has an indirect rate higher than 10%, DYCD will allow an increase up to a maximum of 12%. A CPA letter certifying the indirect cost rate must be submitted with the budget to DYCD.

HHS Accelerator Financials may display a rate higher than 10%-12%, so please disregard HHS Accelerator Financials calculations. The HHS Indirect rate is not calculated based on the total budget amount.

Any of the generally accepted methods of calculating and allocating indirect cost may be used. It is the responsibility of the Provider to maintain documentation to justify the percentage and allocation plan used to arrive at the indirect cost rate. This documentation must be made available upon request.

Note:

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

Uniform Grant Guidance re: Indirect Cost

**SECTION ON UNIFORM GRANT GUIDANCE
ONLY APPLIES TO FEDERALLY FUNDED CONTRACTS
 INCLUDING: CSBG, CDBG & WIOA**

Under the Uniform Grant Guidance, DYCD must honor a Provider’s (subrecipient’s) federally negotiated rate agreement, or use a 10% Modified Total Direct Cost (MTDC) *de minimis* rate if a Provider does not have one.

If the Provider never received a federally negotiated indirect cost rate, the Provider can elect to charge a *de minimis* rate of 10% of MTDC. A *de minimis* rate of 10% of MTDC is an automatic rate without any review of actual costs. This means that DYCD will honor your request for a 10% *de minimis* rate without requiring documentation of actual costs.

The federal definition of Modified Total Direct Cost (MTDC) includes:

- Direct salaries and wages
- Applicable fringe benefits
- Materials and supplies
- Services
- Travel
- Up to the first \$25,000 of each subcontract

MTDC excludes:

- Equipment that costs at least \$5,000
- Capital expenditures
- Charges for patient care
- Rental costs for off-site facilities
- Tuition remission, scholarships and fellowships
- Participant Support Costs, such as stipends and travel allowances

To simplify the MTDC calculation, follow this process:

From the total contract budget amount:

- (1) Deduct the dollar amount for any planned equipment purchase for an item(s) costing greater than \$5,000;
- (2) Deduct the excess dollar amount of any subcontract valued at over \$25,000 – for example, deduct \$5,000 from a \$30,000 subcontract;
- (3) Add these two amounts and then subtract the result from the total contract budget amount, this gives you the Modified Total Direct Cost (MTDC) base;
- (4) Multiply the MTDC base by 10% to calculate the Indirect Cost amount for the DYCD federally funded contract.

Example:

If a Provider has a federally funded DYCD contract with a budget of \$100,000 and plans to buy a \$6,000 Supercomputer and to subcontract out \$29,000 worth of services, calculate the Modified Total Direct Cost (MTDC) by subtracting \$6,000 (equipment cost) and \$4,000 (excess over \$25,000) from the \$100,000 contract budget amount. This would result in \$100,000 minus \$10,000, resulting in **\$90,000** as the MTDC. Now calculate 10% of the MTDC (\$90,000) which in this case equals \$9,000. Enter \$9,000 in the Indirect Cost category.

Initial Scenario

Total DYCD CSBG contract	\$100,000
Supercomputer purchase	\$6,000
Subcontract out for services	\$29,000

How to Calculate MTDC

Total DYCD CSBG contract	\$100,000
Subtract \$6,000 for equipment	6,000
Subtract \$4,000 (excess over 25,000)	4,000
MTDC	\$90,000
Calculate 10% of MTDC	10%
Amount to be entered in Indirect Cost category	9,000

If, instead, there are no planned equipment purchases and no planned subcontracting, the MTDC would be \$100,000 and the Indirect Costs would be \$10,000.

In summary, you may budget 10% of your Modified Total Direct Costs, as described above, of your federally funded contract amount in the Indirect Cost category without having to provide DYCD with any documents or justification. However, please be aware that adherence to the MTDC guidelines are subject to audit.

If the Provider elects a rate lower than 10%, DYCD requires written acknowledgment that the Provider is declining the 10% de minimis rate and confirmation of the rate it will be claiming on the budget.

Note: The 10% De Minimis Decline Acknowledgement Form is available for download on the DYCD website under Budget Review & Risk Management and appears on the next page.

SECTION TWO

BUDGET MODIFICATIONS

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, Providers will not be allowed to submit invoices and will not be able to 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 THREE

INTERNAL CONTROLS AND GENERAL ACCOUNTING PROCEDURES

INTERNAL CONTROLS

The Providers' executive and management staff are responsible for establishing and maintaining an internal control structure. Internal controls will vary from one Provider to the next, depending on such factors as their size, nature of operations and objectives. However, the need for internal controls remains the same; a Provider should find the most efficient and effective way of implementing its needed internal control procedures.

The following are examples of internal control activities:

- Segregation of Duties: Duties and responsibilities must be divided among different staff members to reduce the risk of error or fraud. In large Providers, there are often different staff members responsible for procurement and for payment.
- Proper Execution of Transactions and Events: Transactions and significant events must be authorized only by persons acting within the scope of their authority.
- Documentation of Transactions: All transactions need to be clearly documented, and all documents must be readily available for inspection.
- Secure Physical and Financial Assets: A Provider must safeguard its assets, including cash and equipment. Periodic inventory checks will help prevent loss or unauthorized use of the Provider's assets.

Retention of Accounting Records

In accordance with City contract requirements, Providers must retain all contract related financial records, including auditors' reports, for six (6) years after the final invoice of the contract is paid; Providers are subject to audit/or investigation for such an additional period.

Bookkeeping Practices and Procedures

Providers must maintain separate accounting records for funds received through each contract with DYCD. Accounting records must be established and maintained in accordance with Generally Accepted Accounting Principles. It is essential that the Provider maintain accurate, complete and permanent books and records, available for inspection by a DYCD staff member or its designee.

DYCD staff and its representatives will conduct both announced and unannounced site visits to Providers during the contract term to ensure that the books and records are being appropriately maintained.

Timesheets

Timesheets must be completed for all full and part-time employees. Each timesheet must be signed and dated by the employee and the employee's supervisor. The Executive Director's timesheet must be reviewed and approved by a member of the Board of Directors.

Electronic timesheets may be maintained if they are certified as accurate by the signature of the Executive Director or a senior level management designee.

Cost Allocation

Cost allocation is the distribution of one cost across multiple funded contracts. A cost allocation methodology identifies the type of expenses that are being claimed, and establishes a basis for allocating costs to business units or cost centers based on an appropriate allotment of such cost.

❖ Requirement:

Each Provider must develop a written cost allocation plan. The plan must include an explanation of its methodology detailing the basis used in allocating cost to its various DYCD programs. Time distribution records must reflect an after-the-fact determination of the actual activity of each employee. Cost allocation is established on the premise that Providers maintain an adequate accounting system and accounting records to document costs and support claims. Allocation methods and distribution of cost must be based on a generally accepted accounting practice prescribed by OMB Super Circular regulatory guidance and in accordance with Generally Accepted Accounting Practice. Refer to Office of Management and Budget for guidance: 2 CFR Chapters I, and Chapter II, Parts 200, 215, 220, 225, and 230 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and promptly made available to DYCD or its contracted CPA firms.

❖ Approach:

When allocating cost to a particular contract the following must be considered:

- Allowable direct costs that apply to only one program must be charged directly to that program or contract and cannot be cost allocated.
- Allowable direct costs that can be identified across multiple programs must be pro-rated using a base most appropriate to the particular cost being pro-rated.
- Allowable indirect costs (cost that benefit all programs and cannot be identified to a specific program) are allocated to programs, grants, etc., using a base that results in an equitable distribution.
- A Provider is not allowed to charge more than 100% of a cost across programs.

❖ Documentation:

Regardless of the cost allocation method used, expenses claimed must be supported by documentation of cost distribution showing the benefit each program received. Please note that approval of a DYCD budget does NOT constitute approval of a Provider's cost allocation plan and method used.

A reasonable cost allocation plan must be presented to show the basis used to allocate the amounts incurred in each of the funded programs. The basis applied cannot be based on the budgeted amount; rather it must be based on the benefit derived by each program from that particular expense, (e.g. time, space, usage, etc.).

❖ Audit:

All expenses submitted for reimbursement are subject to an audit to assess whether the expenses are allowable and reasonable based on the cost allocation method used. Unreasonable cost allocations will result in disallowed costs. See Section Eleven for additional details on audit requirements.

Compliance with the Requirements of the Non-profit Revitalization Act of 2013

DYCD expects all funded Providers to be in compliance with the new requirements of the New York Not-for-Profit Corporation Law, as mandated by the Non-Profit Revitalization Act (the Act) signed into law in New York in 2013 and subsequent amendments passed in 2016. Compliance with the requirements of the Nonprofit Revitalization Act is subject to verification by DYCD or its contracted audit firms.

There are many publicly available resources to help Providers understand the new governance requirements of New York law (which go beyond the points highlighted here); DYCD can suggest possible resources, if necessary. For further information please visit the New York Attorney General's Charities of Bureau website: <http://www.charitiesnys.com>.

❖ Conflict of Interest

In particular (and without limitation), DYCD expects all funded not for profit Providers to maintain and follow a conflict of interest policy as required by the act S 715-A Conflict of Interest Policy,

❖ Whistleblower Compliance Requirements

Providers with 20 or more employees and in the prior year annual revenue in excess of \$1,000,000 are required to have a whistleblower policy in accordance with the Non-Profit Revitalization Act S-715-B Whistleblower Policy.

❖ Audit Requirement

Providers are required to be in compliance with the requirement to file an independent certified public accountant's audit or review report to the Charities of Bureau and submission to DYCD. See section eleven for further detail on audit requirements.

Employees Personnel Files

Employees' personnel files must include of all pertinent documents used in the hiring process. The hiring documents must include at the minimum, the following documents:

- Employment Application
- I-9 Employment Eligibility Verification
- Authorized working papers for individual under 18
- Job Description
- W-4 form
- Resume
- Copy of Educational Degree, Diplomas or Certificate
- Background Check
- Personnel Action Form

Resigned Employees

Employee vacation and sick time accumulated during the course of employment are allowed to be paid to that employee under the DYCD contract upon separation from employment, when such separation occurs during the contract operating period and the Provider has a policy allowing for payment for such time. If the employee's time is cost allocated, it must be charged accordingly.

Vendor Invoices

All invoices maintained as documentation to support a claim must be in its original form, and must display the Provider's name as the recipient of the goods/services. All invoices must be maintained and made available for review, in accordance with Generally Accepted Accounting Principles and the record keeping requirements of the contract.

Bank Accounts

Providers are not required to maintain separate bank accounts for each contract award. Electronic Funds Transfers (EFT) of the contract award can now be made to a single Provider bank account. The EFT Enrollment form can be found on DYCD's Help Desk webpage and via:

[EFT Enrollment Form \(Direct Deposit\)](#)

Providers are required to transfer all DYCD funds from the EFT account to the appropriate payroll and general accounts. Bank reconciliation of all accounts must be prepared on a monthly basis, reviewed by upper management, and kept on file for examination by DYCD or its designees.

Signatories

DYCD requires that a Provider have at least two signatures on each check. Every Provider is expected to comply with this policy unless it has received prior written authorization from DYCD stating otherwise.

Cash Flow

The cash flow process is initiated following registration of the contract with the New York City Comptroller's Office. DYCD is unable to release funds until the contract is registered.

An initial advance equivalent to three months of the Provider's approved budget can be requested through HHS Accelerator Financials upon contract registration. If the contract term is less than six (6) months, the initial advance cannot exceed 50% of the approved budget. Funds will be electronically transferred to the accounts of Providers enrolled in the EFT Program. Refer to instructions on Requesting Initial Advances in Section 8.

Disbursements

Disbursements, except those from petty cash funds and payment with the Provider's corporate credit or debit card, must be made by check. Providers should adhere to the following control functions when handling DYCD disbursements:

- The function of approving vouchers, preparing checks and recording disbursements must be handled by different employees.
- Employees handling disbursements must not have duties related to cash receipts or the reconciliation of bank accounts.
- Vouchers payable must be established for each payment and recorded promptly.
- Payment must be made only after the original voucher and all copies of pertinent papers have been approved.
- Invoices should be cancelled or stamped "Paid" in order to prevent duplication of payment.
- Confirmation receipts for online purchases must be printed out and retained by Providers.
- A periodic review of vouchers must be made by an authorized person to determine that all processing steps are being followed properly.

If a Provider is unable to comply with the control functions described above, comparable reasonable procedures must be developed to allow for proper accountability and segregation of duties in handling disbursements. A written description of these comparable procedures must be sent to your DYCD Program Manager.

Unclaimed Funds

Unclaimed funds are funds that become available in the Provider's bank account due to returned checks or checks that were never cashed by the intended recipient. Undistributed funds remain the property of DYCD and must be reimbursed to DYCD at the end of the fiscal year. The following steps must be taken to account for DYCD unclaimed funds:

- Providers are required to exhaust all efforts to contact the intended recipient, in a timely manner, within 90 days from the check date.
- After the 90 day period, the Provider is required to place a stop payment on those checks and return the funds to DYCD within 10 days.
- Providers are required to retain all evidence of the steps used to contact the intended recipients.
- Providers are not allowed, at any time, to submit DYCD unclaimed funds to New York State Office of Unclaimed Funds.

SECTION FOUR

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 the purpose of 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 in order to meet the requirements of this section. The monetary thresholds identified below refer to payments made or obligations undertaken in the course of a one (1) year period with respect to any one (1) person or entity.

1. For purchases with a value of \$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.

1. Purchases from \$5,001 - 25,000

Contractor 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.

2. Purchases \$25,001 or greater

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 considered to be 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:

DYCD may require proof of delivery date for goods purchased between June 20th and June 30th.

Inventory

Providers must maintain an inventory of all furniture and equipment purchased with DYCD funds. An inventory control decal must be placed on the equipment indicating that it is the property of New York City.

A physical inventory is required every year, and inventory records must include the date of the last physical inventory review.

Relinquishment or Disposal of Furniture and 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.

SECTION FIVE

CREDIT/DEBIT CARDS POLICIES AND PROCEDURES

Policies and Procedures for Use for Credit/Debit Cards

Credit cards must be established in the name of the Provider and used solely for carrying on the operations of the Provider. Written policies and procedures are necessary to establish an internal control structure for credit/debit card use. A Provider's Board of Directors must first determine whether to approve use of credit or debit cards; once the Provider's Board has approved the use of credit/debit cards, the Board must adopt a comprehensive credit/debit card policy that, at a minimum:

- Identifies all authorized users
- Sets appropriate credit limits
- Establishes custody of the cards when not in use
- Requires proper documentation for all transactions
- Establishes a means to recoup any unauthorized expenditures
- Specifies that the safeguard of, and charges appearing on, each card, are the responsibility of the cardholder
- Prohibits purchases that are personal in nature
- Prohibits use of cards to split orders or otherwise circumvent bidding thresholds
- Limits the use of staff and/or volunteer personal credit cards for Provider-related purchases to emergency situations (with emergencies to be defined) where standard procurement methods are unfeasible. Such expenditures, moreover, must be consistent with the Provider's purchasing policies and procedures
- Sets limits on the amount that can be purchased in any individual transaction; and requires preapproval for purchases over that limit
- Limits cash withdrawals/advances to emergency situations (with emergencies to be defined), and requires such withdrawals to be governed by the following rules:
 - Amount may not exceed \$200 per ATM withdrawal.
 - The Provider's Executive Director or a designee must authorize cash withdrawals. If the Provider's Executive Director is the individual making such cash withdrawals, the Provider's Executive Director must receive authorization from the Provider Board Chairperson.
 - When a payment is made with cash from an ATM withdrawal a receipt from the transaction is filed and maintained in an ATM transaction and cash box (this must be a box kept separate and apart from the petty cash box).
 - Any cash withdrawn from a credit/debit account that is not utilized in a purchase must be deposited in the ATM transaction and cash box or re-deposited in the agency credit/debit account.
 - Each expense emanating from an ATM withdrawal must be recorded in the Provider's general ledger to its corresponding expense account, with an offsetting entry to the credit account associated with the credit/debit card. A monthly

reconciliation of the ATM transaction box and the credit/debit general ledger account must be performed.

- The Provider is not allowed to comingle DYCD funds from cash balances related to ATM withdrawals with Non-DYCD funding streams. Separate general ledger accounts must be established to account for DYCD cash balances related to ATM withdrawals.

The CFO or Comptroller must ensure that a proper review of claims is performed prior to the payment of each credit card statement. This includes requiring that itemized receipts or other similar documents signed by the individual making the purchase adequately support all charges on the statements. In the case of debit card usage, bank statements must be regularly and timely reviewed and checked against supporting documentation.

SECTION SIX

PETTY CASH POLICY

A. Petty Cash Fund Use Establishment

To facilitate the payment of certain minimal charges that cannot be handled by check, Providers may establish a Petty Cash Fund for up to \$1,000. 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.

B. 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 (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 amount of vouchers therein 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 the amount of 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

SECTION SEVEN

GENERATED INCOME

OVERVIEW OF GENERATED INCOME

Income derived by a Provider as a result of resources paid for by the Department of Youth and Community Development is considered Generated Income. Providers engaged in such income generating activities must maintain a monthly report of those activities. These reports must be made available to DYCD for review upon request.

Providers with income generating activities must adhere to the following bookkeeping standards:

1. A separate bank account must be established;
2. All bank documents, such as deposit slips, reconciliations, statements, canceled checks must be properly maintained on file;
3. Signature cards must be properly maintained on file;
4. A separate cash receipts journal must be established to record cash receipts generated;
5. A separate cash disbursement journal must be maintained to record cash expenditures (the cash disbursement journal must be established in a form that reflects the nature of the expense);
6. Supporting documentation for each disbursement recorded in the cash disbursement journal must be properly maintained on file;
7. If appropriate, a general ledger must be maintained in order to summarize monthly transactions;
8. A monthly trial balance must be taken; and
9. All financial and accounting records relating to income-generating activities must be available for examination and audit by DYCD or its designees upon request.

Grants that a Provider receives from other government sources or foundations are not considered generated income.

SECTION EIGHT

HHS ACCELERATOR FINANCIALS INVOICE & PAYMENT

HHS ACCELERATOR FINANCIALS INVOICES AND PAYMENTS – OVERVIEW

Cash Flow

The Cash Flow process is initiated following Registration of the contract with the New York City Comptroller’s Office. DYCD is not permitted to release funds or reimburse a Provider for any expenses incurred for the provision of services until a contract or amendment is registered.

REQUESTING AN INITIAL ADVANCE:

Once the contract is registered and there is an Active Budget, the Provider will receive notification from HHS Accelerator Financials. A Provider may request no more than a three-month Initial Advance through HHS Accelerator Financials. If the contract budget term is less than six (6) months, the Initial Advance cannot exceed 50% of the Active Budget.

Avoid delays...

Advance Requests **not** properly calculated by Budget Code as instructed below will create a delay in payment.

In order to request an Initial Advance, Providers must:

- Go to the Budget List tab and search for the Active Budget
- Sub Budgets are found on the blue tabs (see below), each Sub Budget is identified by a series of numbers referred to in this Manual as Budget Codes (Ex: 00123-3557/6950/312- Budget Name 1)
- A Provider may have multiple Sub Budgets sharing the same Budget code or they may have different Budget Codes (See below)
- Each Budget Code must have a separate Advance Request. For example:
 - The Provider in the sample below has six Sub Budgets with the same Budget Code, Sub Budgets 1 through 6. The Provider must calculate 25% of the total amount for all 6 Sub Budgets sharing the same Budget Code; this adds to the total amount of \$535,000. In this case 25% is \$133,750; this is the amount to be used when creating the first Advance Request.
 - The Provider will then calculate 25% of the remaining 2 Sub Budgets and this will total to \$1,500 for the second Advance Request.

	ID - Budget Code - Budget Name	Amount in Sub Budget	
Sub-Budgets	00123- 3557/6950/312- Budget Name 1	\$ 200,000.00	First Request Add all of the Sub Budgets with the same Budget Code. Total: \$535,000 multiply by .25 The final amount to be used for first Advance Request is \$133,750
	00123- 3557/6950/312- Budget Name 2	\$ 150,000.00	
	00123- 3557/6950/312- Budget Name 3	\$ 100,000.00	
	00123- 3557/6950/312- Budget Name 4	\$ 50,000.00	
	00123- 3557/6950/312- Budget Name 5	\$ 25,000.00	
	00123- 3557/6950/312 Budget Name 6	\$ 10,000.00	
	00123- 3698/6950/312 Budget Name 7	\$ 5,000.00	Second Request Add all of the Sub Budgets with the same Budget Code. Total: \$6,000 multiply by .25 The final amount to be used for the second Advance Request is \$1,500
	00123- 3698/6950/312- Budget Name 8	\$ 1,000.00	

- Once the Provider has determined the amounts by Budget Code, Providers may request the Initial Advance as follows:
 - Go to Budget List and search for your Active budget
 - Under the Action field select Initiate Advance from the drop-down menu
 - Fill in as follows:
 - Advance Amount Requested, use amounts calculated by Budget Code (One Request for \$133,750 and a second request for \$1,500)
 - Advance Description write in Initial Advance and the Budget Code numbers associated with the advance

Example of Initial Advance Requests:

Initiate Advance
<p>Initiate Advance</p> <p>To initiate advance please enter the advance amount and description and click the 'Initiate Advance'</p> <p style="text-align: center;">CT#: 12334567891</p> <p style="text-align: center;">Provider: John Doe Nonprofit</p> <p style="text-align: center;">FiscalYear: FY17</p> <p style="text-align: center;">Advance Requested Date: 5/16/2017</p> <p style="text-align: center;">Advance Requested Amount: \$133,750.00</p> <p style="text-align: center;">Advance Requested Description: Initial Advance 00123-3557/6950/312</p>

Initiate Advance
<p>Initiate Advance</p> <p>To initiate advance please enter the advance amount and description and click the 'Initiate Advance'</p> <p style="text-align: center;">CT#: 12334567891</p> <p style="text-align: center;">Provider: John Doe Nonprofit</p> <p style="text-align: center;">FiscalYear: FY17</p> <p style="text-align: center;">Advance Requested Date: 5/16/2017</p> <p style="text-align: center;">Advance Requested Amount: \$1,500.00</p> <p style="text-align: center;">Advance Requested Description: Initial Advance 00123- 3698/6950/312</p>

Initial Advances will be recovered starting with your January Invoices. DYCD will recover 1/6th of the advance from January through June Invoices on a standard 12-month budget operating period. The recovery process can be adjusted based on higher spending levels or shorter budget operating periods. The Advance recovery will appear on the HHS Accelerator Financials Invoice under Advance Recoupment. A Provider will only receive a payment during this time period if the invoice amount exceeds the recovery amount. Once all invoices have been submitted, any unrecovered advances will be owed to DYCD.

Loans issued through the Fund for the City of NY will be paid by DYCD through the Advance Request process in HHS Accelerator Financials. This payment is automatically done once your contract is registered. The deduction of outstanding loan amounts from the HHS Accelerator Financials invoice will appear under Assignment. This advance and any other will be deducted in full from your upcoming Invoices.

Note:

HHS Accelerator Financials provides general Guides for Advance Requests which provide a non-agency specific Citywide process. DYCD Contractors are required to follow the instructions provided in this Manual for calculating Advances based on Budget Codes.

For General HHS Help Videos see the link below:

<https://www1.nyc.gov/site/mocs/systems/hhs-accelerator-user-materials.page>

Invoices

The HHS Accelerator Financials Invoice document will be the method of reimbursement for monthly contracted expenses. Providers can manage budgets, invoices and payments electronically through HHS Accelerator Financials. HHS Accelerator Financials Invoices must be submitted once the contract is registered and there is an active (approved) budget in HHS Accelerator Financials.

Back up Documentations required:

DYCD requires that you submit back up documentation with the submission of your HHS Accelerator Financials Invoices. You will be required to submit two documents which will need to be uploaded to your HHS Accelerator Financials Invoice (on the document tab) at the time of submission.

Required Documents When Submitting Invoices:

1. [Salaries and Wages Justification Details](#)

The form will require details for Salaried, Hourly and Seasonal employees (Seasonal Employee details are only required for FY16 and FY17).

2. [Equipment Purchase Inventory Report](#)

The equipment category includes other costs in addition to Equipment Purchase. Please put a note on the comment field of the Invoice if you are allocating expenses other than Equipment Purchase. A Purchase Inventory Report is only required for Equipment Purchase.

For equipment \$500 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:

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

Note:

The Salaries and Wages Justification Details and Equipment Purchase Inventory Reports Forms are available on the DYCD website under Forms Index.

General Instructions:

The HHS Accelerator Financials Invoices must be prepared on a cash basis. Expenses must be reported for the month in which the check was issued or, in the case of credit or debit cards, the month in which the payment was made. For example, an HHS Accelerator Financials Invoice submitted for the month of October must reflect payments issued in October.

There are circumstances where checks are allowed outside the HHS Accelerator Financials Invoice submission period. During the year end close out, a Provider may have a payroll service period or an invoice service period that crosses Fiscal Years. The prorated portion of that check must be charged to the appropriate Fiscal Year (or budget operating period if the budget ends prior to June 30, 2018). An example of this would be a payroll issued 07/13/18 with a payroll service period of 06/25/18 through 07/06/18. Only June 25 through June 30th may be reflected on the June-Final Invoice. The remainder of the payroll would be reflected on the July HHS Accelerator Financials Invoice.

Guide to Invoicing and Payments in HHS Accelerator Financials

For instructions and information on how to submit your Invoices through HHS Accelerator Financials, please use the below link.

<https://www1.nyc.gov/site/mocs/systems/hhs-accelerator-user-materials.page>

Submission Timeline- HHS Accelerator Financials Invoices

Below is the timeline (based on the value of your budget) for the submission of HHS Accelerator Financials once the contract is registered and there is an active (approved) budget.

Annual Contract Budgets of \$50,000 or greater

A monthly HHS Accelerator Financials Invoice is required for contracts with annual budgets of \$50,000 or greater. Providers must submit their invoices electronically in HHS Accelerator Financials listing the expenditures made by the 10th day of the following month. Invoices received after the 15th of the following month are considered late and may result in a negative contract performance rating.

Annual Contract Budgets \$10,001 - \$50,000

Contracts in this range have the option of submitting invoices monthly or quarterly in HHS Accelerator Financials. Quarterly reports are due as follows:

July-September	Submission Date October 10
October-December	Submission Date January 10
January-March	Submission Date April 10
April-June	Submission Date July 10
Final Invoice	Submission Date due August 31

Annual Contract Budgets of \$10,000 or less

A Provider with a contract of \$10,000 or less has the option of submitting invoices monthly, quarterly or one for the full amount in HHS Accelerator Financials.

Non-Reimbursable Expenses

Expenditures for items neither budgeted nor allowable under DYCD Federal, State and City guidelines will not be reimbursed.

The following expenses are not allowed by DYCD:

1. Expenses outside of the budget operating period are not allowed. This includes payment of back tax obligations.
2. Funds cannot be used for litigation expenses, legal settlements, or legal judgements
3. Expenditures for items neither budgeted nor allowable under DYCD Federal, State and City 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 any social, country, dining and lobbying clubs or professional 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. If federal funds are used, Entertainment Costs are not reimbursable

Questions regarding acceptability of specific items may be emailed to your Fiscal Analyst or CAFDbhelp@dycd.nyc.gov.

Payee Information Portal of the City of NY

The Payee Information Portal (PIP) provides assistance for payees or vendors who do business with the City of New York.

Registered vendors can:

- Check payment status
- Update business information
- View agreements and invoices from City agencies
- Enroll for commodity codes to receive solicitations from the City
- Update and report subcontracts and payments made to subcontractors
- Download applications forms

Sub- Contractor Reporting Requirement

Pursuant to the Procurement Policy Board Rule 4-13, all awarded prime contracts \$250,000 and above are required to enter all sub-contractors in the PIP system as well as report payment to subcontractors through PIP. Reporting must be made within 30 days of making payment to your subcontract.

Please visit the PIP website at www.nyc.gov/pip for additional information on this requirement and on how to utilize the PIP system.

Electronic Funds Transfer – EFT (Direct Deposit)

Local Law 43 of 2007 requires any vendor providing the City with services valued at more than \$25,000 to enroll in the Vendor Payment Direct Deposit program. DYCD encourages all vendors that do business with the City to enroll in the Direct Deposit program.

Benefits of Direct Deposit (“EFT”) Payments

- Electronic payment is safer and more secure - Paper checks can be lost in the mail, stolen, or delivered to the wrong address
- Receive payments faster - EFT payments are deposited directly into the vendor’s bank account.
- Electronic payment records are available online - Use the City's Payee Information Portal (PIP) for current vendor payment records

To enroll download and complete the Direct Deposit/Electronic Funds Transfer (EFT) Vendor Payment Enrollment form. The separate Instructions document includes a section on Frequently Asked Questions. You must provide all requested information. Please ask your bank representative for help if you have any questions about your EFT enrollment form.

The application along with the documentation can be mailed or faxed to:

NYC Department of Finance
Electronic Funds Coordinator
66 John Street, 12th Floor
New York, NY 10038
Fax: 646-500-7152

Providers may also submit the application and supporting documentation by faxing it to the number above.

Required Documents:

Providers must submit all required documents with the EFT application. EFT applications must include one of the following:

- A voided check for the bank account indicated on the EFT enrollment application. The check must have the vendor's name printed on it; or
- An encoded deposit ticket for the account indicated on the application with the vendor's name printed on it; or
- A letter from the Provider's financial institution verifying the bank account ownership. The letter must include the vendor name, account number and bank routing (ABA) number; or
- A bank account statement for the account indicated on the application.

[EFT Enrollment Form \(Direct Deposit\)](#)

SECTION NINE

YEAR END CLOSE OUT

YEAR END CLOSE OUT

Contract Term

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. In addition, current year DYCD contract funds cannot be used to pay expenses incurred in a prior contract period (e.g. for payment of back tax debts.) There are no exceptions to this rule.

Unpaid Bills-Advance

An advance request can be generated in HHS Accelerator Financials the Provider does not have sufficient funds to cover expenses at the end of the fiscal year or budget operating period. The request must be labeled as an Unpaid Advance. Upload an explanation and justification detailing expenses not paid. Unpaid expenses must be for services related to the contract. Once an advance has been issued, the Provider must submit HHS Accelerator Financials Invoices to reflect the expenses paid with the advance received.

Deadline for Submission of Final Invoice in HHS Accelerator Financials Financials

The deadline for submission of final invoice in HHS Accelerator Financials is no later than (60) sixty days after the end date of the budget operating period. Budgets ending June 30th have a deadline of August 31st.

Provider Refunds Due

Any balance of funds issued by DYCD and not accounted for by an approved expenditure submitted through an HHS Accelerator Financials Invoice is a refund due to DYCD. Providers must issue a check payable to the NYC Department of Youth and Community Development. The check is to be sent to: DYCD/CAFD 123 William Street, 18th Floor, New York, NY 10038-2609.

Annual Close Out Notification and Financial Recap Form

DYCD officially starts the Year End Close Out process for budgets ending June 30th in September since the deadline for Final Invoice submission in HHS Accelerator Financials is August 31st. Once all HHS Accelerator Financials invoices have been processed, the Fiscal Analyst will officially notify the Provider that the contract fiscal year had been closed out.

Providers must verify and reconcile **all** program expenses related to the contract fiscal year with Invoices submitted through HHS Accelerator Financials.

A Year End Close Out notification letter will inform the Provider of any amount owed DYCD. A check for the refund due amount must be issued to DYCD within ten (10) days of receipt of the letter. If the refund due amount is not received by that date, the Provider's contracts will automatically be placed on Check Hold for all future payments from DYCD.

Contracts and amendments not registered will receive an extension from the close out deadline. Submit your HHS Accelerator Financials Invoices once you have been notified of registration. Contracts will be closed out within 60 days of registration.

Reconcile checks

Verify that all checks were received prior to the Year End close out and notify your Fiscal Analyst of lost checks by e-mailing the CAFD Help Desk at Cafdhhelp@dycd.nyc.gov. A stop payment will be requested to the Department of Finance and a new check will be issued.

Refund Due - Non-Responsive Notification

If a refund check or Final HHS Accelerator Financials invoice is not submitted in response to the Close Out notification, the Provider will be referred to DYCD's Office of Legal Affairs for collection. Nonpayment may also result in the Provider being referred for a Caution Rating in the Performance Evaluation (VENDEX). This rating may have a negative impact upon the Provider's ability to secure future funding with DYCD or other City agencies. Providers having a poor Performance Evaluation rating (VENDEX) may also be mandated to use the services of DYCD's Fiscal Agent.

Recoupment Procedures

DYCD reserves the right to offset the amount of funds due DYCD against another contract.

Close Out Procedures for Terminated Providers or Withdrawn Providers

Upon receipt of a termination notice and effective date of termination, the Provider shall comply with all applicable DYCD close out procedures, which include, but are not limited to the following:

- Submit HHS Accelerator Financials invoices for expenditures prior to termination date
- Return any balance of funds not accounted for by an approved expenditure
- Comply with guidelines outlined in Section Four of this manual pertaining to Relinquishment of Equipment.
- If assigned a DYCD vehicle, a Provider will immediately surrender the vehicle to DYCD pursuant to Paragraph 12(C) of the Van License agreement.

Contract Performance Evaluation

DYCD will conduct on-going assessments of Providers' fiscal and programmatic performance. This assessment will be reported on the City of New York's Performance Evaluation System. The Financial portion of each rating is based upon an Provider's ability to submit timely and accurate monthly HHS Accelerator Financials Invoices; the Provider's ability to maintain financial books and records in accordance with generally accepted accounting procedures; and the Provider's capacity to maintain an internal control structure with reasonable assurances that its assets are safeguarded against loss or misuse.

Providers found to be deficient in the conduct of their financial duties may receive poor Performance Evaluation ratings and be mandated to use the services of the Fiscal Agent.

SECTION TEN

CENTRAL INSURANCE PROGRAM (CIP) FOR PARTICIPATING PROVIDERS

CENTRAL INSURANCE PROGRAM (CIP)

The Central Insurance Program (CIP) serves the insurance needs of not-for-profit contractors who do business with human services agencies in the City.

CIP provides comprehensive general liability, workers' compensation, and disability benefit programs to these vendor agencies. The Central Insurance Program is operated by the Mayor's Office.

DYCD will deduct 4.5% of a contract's total budget to cover the cost of the insurance. The 4.5% is non-reimbursable. This cost must be reflected in the Unallocated Funds category.

General Liability Insurance

General Liability Insurance is automatically assigned to Providers that opt to participate in the CIP.

The General Liability policy provides coverage limited to one million dollars (\$1,000,000) per occurrence for incidents that occur in connection with program activities described in the Provider's contract with DYCD. The General Liability policy also provides coverage for the costs of defending claims or suits resulting from bodily injury or property damage.

The policy also provides coverage for verifiable medical expenditures for authorized participants injured in the program. All injuries, however slight, to any program participant, volunteer, visitor, or others must be reported on a DYCD Incident Report Form. The Incident Report Form must be on file with DYCD before submission of related medical bills.

Original medical and dental bills must be submitted with a second copy of the Incident Report Form.

Workers' Compensation and Disability Insurance

Workers' Compensation covers injuries suffered by employees while on the job. This coverage only pertains to employees listed on the DYCD budget.

Disability benefits to employees listed on the DYCD budget are provided in case of a non-work related illness or injury causing disability.

The Provider must submit the Employer's Report of Injury (C-2 Form) and/or the Form for Disability to the CIP Program.

Staff Changes made in contracts with CIP

When new staff is hired, the Provider must submit an Individual Enrollment Form to DYCD. When an employee is terminated or resigns, the Provider must submit a Termination Roster. The completion of this roster will ensure that the name(s) of former employees are removed from the Central Insurance Program. In both instances, the forms are to be returned to DYCD.

Exclusions

CIP insurance does not include coverage for allegations of child or sexual abuse. The Provider must immediately notify DYCD of any incident or allegation of abuse of a program participant by any of the Contract's administrators or staff, including both paid staff and volunteers. Written notification is to be submitted on DYCD's Incident Report Form.

The term “abuse” refers to any physical, sexual, emotional or verbal abuse, or any other maltreatment of a program participant. Compliance with this reporting requirement does not satisfy any other legally mandated reporting of abuse, such as notifying the law enforcement officials or notifying the NYS Central Register of Child Abuse and Maltreatment.

The CIP coverage terminates at the end of each fiscal year.

Forms and additional information related to CIP may be obtained from the Central Insurance Program.

Mayor’s Office of Operations
Central Insurance Program
253 Broadway – 5th Floor
New York, New York 10007
Tel: (212) 788-7600

SECTION ELEVEN

AUDIT

Reporting and Audit Requirements

Not-for-Profit Providers that contract with DYCD are required to comply with all applicable state and federal laws with respect to required filings. For federal reporting purposes, most Not-for-Profit Providers may be required to file an information return (e.g. the I.R.S. Form 990). In accordance with New York State law, Providers may be required to register with the Charities Bureau of the New York State Attorney General’s Office; in addition, Providers that solicit funding from the public are required to file NYS Attorney General’s Office financial forms that vary depending on the Provider’s gross revenues.

The following chart summarizes the requirements of the Nonprofit Revitalization Act of 2013:

Effective Dates	Level of Gross Revenues	CPA Audit or CPA Review
July 1, 2014 through June 30, 2017	Less than \$250,000	No CPA Audit or CPA Review required, but must file an unaudited financial report on form provided by the Attorney General
	At least \$250,000 but not more than \$500,000	CPA Review
	More than \$500,000	CPA Audit
July 1, 2017 through June 30, 2021	Less than \$250,000	No CPA Audit or CPA Review required, but must file an unaudited financial report on form provided by the Attorney General
	At least \$250,000 but not more than \$750,000	CPA Review
	The \$500,000 threshold increases to \$750,000	CPA Audit
July 1, 2021 and forward	The \$250,000 threshold remains constant	No CPA Audit or CPA Review required, but must file an unaudited financial report on form provided by the Attorney General
	At least \$250,000 but not more than \$750,000	CPA Review
	The \$750,000 threshold increases to \$1,000,000	CPA Audit

Regardless of the size or type of a not-for-profit Provider, an annual audit can help to improve operations and provide proper accountability for public and private resources.

In addition, DYCD funded Providers are subject to the following requirements:

Contracts with DYCD Funding Greater Than \$75,000

Providers with aggregate DYCD funding greater than \$75,000 will be audited by a CPA firm under contract to DYCD. The Auditor will perform random verification checks of the expenditures claimed on the HHS Accelerator Financials. The audit is performed after the fiscal year is completed and relates only to DYCD contracts. The Provider will be notified of the findings and questioned costs. Unresolved questioned cost(s) may have to be reimbursed to DYCD.

Contracts with DYCD Funding Between \$25,000 and \$75,000

Providers with aggregate DYCD funding between \$25,000 and \$75,000 are subject to fiscal field reviews (“FFR”). A FFR evaluates a Provider’s system of internal accounting and administrative controls. The objective of the FFR is to ensure that Providers adhere to the procedures and requirements cited in the Fiscal Manual and the contract. The FFR notes both administrative and fiscal findings. FFRs are performed either by DYCD Audit staff or CPA firms under contract to DYCD.

Audit: Federal Requirements

Providers that expend \$750,000 or more in federal awards per fiscal year must have a single or program-specific audit conducted for that year in accordance with the provisions of Title 2 CFR 200.500, Subpart F of the OMB Uniform Administrative Requirements (Super Circular). Super Circular Subpart F replaces the previous OMB Circular A-133 to implement new requirements of the Single Audit Act which raised the single audit threshold from \$500,000 to \$750,000 effective for fiscal years beginning on or after December 26, 2014.

Technical Assistance

DYCD may be able to provide technical assistance to a Provider in matters that may affect contract performance, such as compliance with applicable laws and regulations, preparation of required reports, and dissemination of information necessary to keep the Provider abreast of changes that may affect program operation and reporting. The Provider should contact DYCD with questions about any applicable fiscal procedures.