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**FISCAL MANUAL
FOR HHS
ACCELERATOR
FINANCIAL USERS**

USERS: All Human Service contracts except for
Discretionary contracts.

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Appendix of Forms:

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

<https://www1.nyc.gov/site/dycd/involved/funding-and-support/cbo-financial-services.page>

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

Budget forms (1-11) can be found below:

<https://www1.nyc.gov/site/dycd/involved/funding-and-support/cbo-budget-review-risk-management.page>

1. Request for Budget Modification 2021
2. Certificate of Liability Insurance Sample
3. Certification by Broker 2021
4. Consultant Agreement 2021
5. Consultant Agreement Modification Form 2021
6. EFT Enrollment Form (Direct Deposit)
7. Petty Cash Voucher
8. Space Rental Cost Allocation Form 2021
9. Subcontract Agreement 2021
10. Subcontract Agreement Modification Form 2021
11. Subcontractor Approval Form 2021

Back-up documentation for Invoice submission (12-16) can be found here:

<https://www1.nyc.gov/site/dycd/involved/funding-and-support/cbo-contract-agency-finance-department-payment-unit.page>

12. Salaries and Wages Justification Details
13. DYCD Provider Attestation Form for Vaccine Related Expenses
14. Equipment Purchase Inventory Report
15. WIOA Salaries and Wages Justification Details
16. CSBG HHS Invoice-Attachment

Frequently Used Acronyms:

ACCO:	Agency Chief Contracting Officer
CIP:	Central Insurance Program
CSBG:	Community Service Block Grant
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
WIOA:	Workforce Innovation Opportunity Act

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.

Effective (FY21) July 1, 2020, the requirements outlined in this Fiscal Manual apply to all DYCD Human Services contracts, **except** Discretionary. As of July 1, 2020, Neighborhood Development Area, Literacy, and Program Year 2020 / FY 2021 WIOA contracts (OSY – Train & Earn and ISY – Earn & Learn) will be transitioned into HHS Accelerator Financials.

The City of New York Health and Human Services Cost Policies and Procedures Manual (“Cost Manual”) governs the treatment and claiming of costs for health and human service contracts. If there is a conflict between the terms of DYCD's Fiscal Manuals and the Cost Manual, the Cost Manual shall take precedence.

The Cost Manual was established to set guidance on indirect cost rate development and cost policies. The most updated Cost Manual can be found at:
<https://www1.nyc.gov/site/nonprofits/funded-providers/nonprofit-resilience-committee-resources.page>

The Cost Manual is updated continuously. Providers must check the [Nonprofit Resiliency Committee](#) website for the most updated version.

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 Insurance and Paid Family Leave Coverage) 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.

A Fiscal Analyst is assigned to each contract and is responsible for the fiscal management of the contract. The Fiscal Analyst will serve as the Provider's contact person for policy and payment inquiries. All inquiries **must** be emailed to the **CAFD Help Desk** at cafdhelp@dycd.gov.

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. Starting in FY 2021, for eligible contracts only, Initial Advances may be automatically initiated and processed by DYCD. Providers whose contracts will not receive automatic advances will receive further instructions via email. Initial Advances are **not allowed** for **WIOA contracts**.

Audit & Internal Review Unit

The Audit & Internal Review (AIR) Unit is responsible for conducting Audits and Fiscal Field Reviews (FFRs) of funded programs and evaluating audits and reviews of funded programs performed by DYCD's contracted independent Certified Public Accounting Firms (CPA Firms) and DYCD's oversight agencies. The AIR Unit also issues Strategic Action Plans and Corrective Action Plans, often in conjunction with program staff, and provides technical assistance to Providers.

Audits and FFRs conducted by DYCD's AIR Unit and DYCD's contracted CPA Firms have several sources of criteria that are audited. This manual is one such source of audit/FFR criteria. A list all audit criteria is available in **Section 11** of this manual.

Failure to adhere to the requirements included in this manual may result in disallowed costs, which would be recouped by DYCD, and may negatively impact a Provider's PASSPort rating.

SECTION ONE

THE BUDGET

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.

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

Save Submit

60789A 3551/6950 COMPASS \$1,000,000.00 ◀

Documents ◀

Advances ◀

Assignments ◀

Operating Period

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

HHS Accelerator Financials

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

If the contract period overlaps fiscal years, multiple budgets must be prepared. Each budget must reflect the number of months worked in the specific fiscal year to which the budget applies. For example, a 16-month contract starting May 1, 2019 and ending August 31, 2020 would have three budgets (one covering FY 2019 for 2 months, one covering FY 2020 for 12 months and one covering FY 2021 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.

Additionally, effective 7/1/19, Providers must also provide proof of Workers’ Compensation, Disability Insurance and Professional Liability (if applicable), as well as any renewal certificates required during the contract term. Please note that the ACORD forms are not acceptable proof of Worker’s Compensation and Disability Insurance. Acceptable forms include but are not limited to: C-105.2, U-26.3, SI-12, GSI-105.2, DB-120.1, DB-155 and CE-200.

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)

SUI is budgeted at the Provider's insurance rate for up to and including the "wage base," which is -- the amount of an employee's wages used to calculate an employer's Unemployment Insurance contributions. The table below lists the wage bases for 2017-2026.

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

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

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

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

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. Actual hours of service are the preferred statistical basis upon which to allocate salaries and fringe benefits for shared staff who work on multiple programs. Providers must maintain appropriate documentation reflecting the hours used in this allocation. Acceptable documentation may include payroll records or time studies. The total of all amount budgeted to one staff person (including programs not funded by DYCD) cannot exceed 100%.

New York City Minimum Wage is \$15.

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, an Hourly 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. An hourly 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%

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

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Limitation on Salary for Federally Funded Contracts (CSBG, CDGB and WIOA)

The limitation on salary compensation which can be charged to federally funded contracts is based on Federal Executive Pay Level II under US Public Law 109-234 enacted in 2006. The annual rate for Federal Executive Pay Level II is **\$199,300** (Effective January 1, 2021). Individuals who have a percentage of their total salary cost allocated are limited to their cost allocated percentage applied to the Executive Pay Level II rate. For example, someone who earns \$200,000 that spends 50% of their time on is eligible to have up to \$98,650, not \$100,000

The pay level may change annually, [Salaries & Wages](#) chart can be obtained at:

<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2020/executive-senior-level>

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 the 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 unless otherwise approved.

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

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.

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 cost's principles in 2 CFR Part 200 and programmatic guidelines and requirements that may be provided by certain programs.

COVID-19 VACCINE INCENTIVES:

\$500 Incentives to Employees

- Covered contracted employees are eligible to receive a \$500 incentive if they received their first dose of a COVID vaccine between October 20th and October 29th, 2021.
- Providers may administer this incentive through their payroll systems or via gift cards.

Up to 4 hours of Paid Leave for Employees to Accompany their Children

- Covered contracted employees are eligible to receive up to four hours of paid leave to accompany their children, aged from 5 to 11 years-old, to each COVID-19 vaccination.
- Providers may administer this incentive through their payroll systems.
- Expenses for costs associated with the Vaccine Incentives must be budgeted under the category **Incentive Payments/Bonus**. Expenses will be reimbursed through your organization's applicable City contract – either through accruals or a contract amendment, if necessary.

Once Providers have identified the applicable staff for either incentive:

1. Mod the amount needed to the Incentive Payments/Bonus line in the budget and
2. Submit the [Budget Modification Justification Form](#) detailing the number of staff who received the \$500 vaccine mandate incentive and the staff whose hours will be charged for up to 4 hours.

For reimbursement on HHS Accelerator Financials:

1. Submit a separate invoice (title this invoice “*Vaccine Mandate*” in the **Provider Invoice Number** field) for funds on the Incentive Payments/Bonus line
2. Attach a completed [DYCD Provider Attestation Form for Vaccine Related Expenses](#) with the requested information.

Providers must keep appropriate records of expenditures. Submissions for reimbursement can begin immediately if funds are available in the contract.

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

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

Bonus payments to Provider staff, clients and volunteers are not allowed under DYCD contracts with exception of WIOA contracts.

WIOA Contracts Only

Employee bonuses are an allowable cost if they meet the following criteria:

1. A detailed description of the agency's employee bonus system
2. An explanation of what behaviors and/or outcomes will be rewarded by an employee bonus
3. An explanation of how the proposed bonus system will impact the agency's performance during the affected period
4. An identification of which types of personnel will be eligible for bonuses and the maximum amount of the bonus per type
5. The agency is a non-profit or for-profit organization
6. Documentation that demonstrates the agency's employee compensation and proposed bonuses are reasonable for the labor market
7. Copy of the written policy on the provision of bonuses in effect at the time of payment
8. The letter along with all pertaining information must be addressed to the DYCD WIOA designated Contract Manager. A budget modification is required.

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.

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

For equipment **\$500** or more the following must be provided:

*This also applies to CDBG funded contracts for equipment valued at **\$250** or more.

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

For equipment under **\$500** or for CDBG funded contracts for equipment valued under **\$250** the following must be provided:

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

WIOA EQUIPMENT REQUIREMENTS

Equipment valued at **\$5,000** or more may not be budgeted or purchased without prior approval from DYCD, which is also subject to obtaining approval from the New York State Department of Labor (NYS DOL). Accordingly, Providers will not be reimbursed the cost of any Equipment purchased without such prior approvals.

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.)

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**

*Providers subject to the provisions of [Federal Uniform Guidance/ OMB Super Circular](#); expending \$750,000 or more may only allocate a portion of the Single Audit Report cost to their federally funded contracts.

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

Rent Tab

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

Public School

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

Space Cost/Other

All rent, mortgage and other expenses associated with the use of a facility. Along with the budget, the Provider will be required to upload into the Documents tab a copy of their mortgage, lease, or month-to-month rental agreement. 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. Rent or mortgage expense greater than the amount stated in the mortgage, lease, or month-to-month rental agreement is **not** allowed.

In addition, the Provider must upload a completed **Space Cost Allocation Form**. Note the form has been revised to include total square footage, square footage by program and attestation of direct cost.

Contracted Services Tab

Non-Staff Expenditures refers to the following categories: Consultants, Subcontractors and Vendors. Consultants, Subcontractors and Vendors may be corporations, nonprofit organizations, or individuals. The City requires Subcontractors to be registered in PIP but does not require PIP registration for Consultants or Vendors. Policy and definitions for Consultants, Subcontractors and Vendors are governed by the [Nonprofit Resiliency Committee](#). The full policy can be found here:

<https://www1.nyc.gov/site/nonprofits/funded-providers/nonprofit-resilience-committee-resources.page>

Consultants

A consultant hired on a health and human service contract is often a subject matter expert and **does not** perform or directly deliver a part of the prime contractor's programmatic contractual obligations. This means anyone assisting the Provider and not dealing directly with participants (ex: a STEM curriculum developer). Consultants cannot be salaried employees of the Provider.

For each consultant listed, a signed and notarized Consultant Agreement 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. 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

A Subcontractor hired on a health and human service contract is hired to **perform or directly deliver** a part of the prime contractor's programmatic contractual obligations. This means that anyone dealing directly with participants, whether an individual or an entity, (ex: a STEM teacher that teaches a robotics class).

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.

Subcontractor Approval Process:

If a Provider proposes to engage a Subcontractor on a human service contract, DYCD requires:

1. The Subcontractor to be listed in the City's Payee Information Portal (PIP) nyc.gov/pip and
2. The Provider must identify the Subcontractor through the budget and invoice process. For contract budgets that are managed through HHS Accelerator Financials, the Provider shall identify the Subcontractor in the "Contracted Services" section and upload and attach the Subcontract agreement to the fiscal year budget

For any Subcontractor of more than \$20,000*, DYCD also requires:

1. The Subcontractor to be prequalified in HHS Accelerator, and
2. For contract budgets that DYCD manages through HHS Accelerator Financials, the Provider shall upload and attach the Subcontract Agreement with a copy of the letter of confirmation from the Procurement Unit to the fiscal year budget

Subcontractors are approved for work on a human service contract when:

1. The DYCD Procurement Unit approves the subcontractor in PIP
2. The Provider has received a letter of confirmation from the Procurement Unit

The Provider should not engage a subcontractor until DYCD has approved that subcontractor. The prime vendor is responsible for listing all payments to subcontractors in PIP.

*For determining the value of a subcontract, all subcontracts with the same subcontractor shall be aggregated.

PASSPort requirement applies to Subcontractors receiving more than \$100,000 in City dollars.

DYCD offers a standard [Subcontract Agreement](#) template for human service contracts that Providers may use, but are not required to use.

Please review the Unallocated Funds category for Subcontractor agreements pending approval.

Vendors

A vendor hired on a health and human service contract provides **non-programmatic services or goods**. Examples of services provided by vendors are cleaning, security, etc. Vendor Agreements must be maintained on file with 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), Van Maintenance and Fiscal Agent Services. These items are covered and paid by DYCD. The costs are non-reimbursable, and Providers will not have access to these funds.

In addition, Subcontractor Agreements pending approval, Rent pending a Lease agreement and Consultants pending an agreement may be temporarily budgeted in this category. Once the Subcontractor Agreement has been approved and the Rent or Lease agreements have been obtained, Providers may process a budget modification and allocate these costs to the appropriate budget category.

Effective 7/1/19, when creating a budget, Providers must identify the category and allocation being budgeted under Unallocated Funds. The **only** categories allowed under Unallocated Funds are: Central Insurance Program (CIP), Van Maintenance, Fiscal Agent Services, Subcontractor Agreements (pending approval), Rent (pending Lease agreement), Consultant (pending agreement). 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, Disability Insurance and Family Leave Coverage. 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.

Van 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.

Subcontractor (Pending Approval)

Allocations for Sub-Contractors that have not yet been identified or for those whose agreements are pending an approval must go into the Unallocated Funds tab. Once the Subcontractor has been identified, or the agreement, if applicable, has been approved, the Provider must modify these funds into the Subcontractor line on the Contracted Services tab. All applicable sub-contract (s) **must** be approved **prior** to start of subcontractor services.

Fiscal Agent Services

DYCD has contracted with a firm to provide fiscal agent services to DYCD funded Providers. 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.

<u>DOLLAR VALUE</u>	<u>FISCAL AGENT SERVICE FEES</u>
\$2,500 - \$25,000	\$420
\$25,001 and Over	3% of each sub budget

Note:

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

Indirect Rate (Indirect Costs)

Effective July 1, 2019 The City of New York Health and Human Services Cost Policies and Procedures Manual (“Cost Manual”) governs the treatment and claiming of costs for health and

human service contracts. If there is a conflict between the terms of DYCD's Fiscal Manuals and the Cost Manual, the Cost Manual shall take precedence. The Cost Manual was established to set guidance on indirect cost rate development and cost policies. The Cost Manual can be found at the link below:

For additional information on Indirect Costs, refer to the [Nonprofit Resiliency Committee Indirect Implementation](#).

<https://www1.nyc.gov/site/nonprofits/funded-providers/indirect-implementation.page>

Providers under the Fiscal Agent may not budget Indirect Cost.

SECTION TWO

BUDGET MODIFICATIONS

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.

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

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

SECTION THREE

INTERNAL CONTROLS AND GENERAL ACCOUNTING PROCEDURES

SECTION THREE: INTERNAL CONTROLS AND GENERAL ACCOUNTING PROCEDURES

INTERNAL CONTROLS

The Provider's executive and management staffs 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. Separate accounting records means that Providers must create separate general ledgers and trial balances, or use sub-accounts, to separate funds received through each contract with DYCD. Contracts with DYCD must be tracked in separate accounting records from each other, and also must be tracked in separate accounting records from all other Provider funding sources. 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 Federal Uniform Guidance/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 as amended:

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

Employee personnel files must include 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
- Fingerprint Clearance (*For employees with direct contact with youth or as required in the contract*)
- 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.

EFT/Direct Deposit:

- Enroll for EFT/Direct Deposit program online via the Payee Information Portal (PIP) at nyc.gov/PIP. PIP is now available for vendors to set up a single bank account for all vendor payments made from the New York City Financial Management System (FMS). Both existing and new city vendors can sign up for EFT/Direct Deposit through PIP.
- Existing EFT enabled vendors with a PIP User ID and password can update their bank account information in PIP.
- New vendors doing business with the City of New York can create a new PIP account and vendor code, and then add their bank account information for EFT/Direct Deposit immediately.
- 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 **may** be processed in 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.

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 **Ninety (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 **Ten (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

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.

For purchases with a value of **\$5,000** or less:

- No competitive bids are required provided the price is determined to be reasonable and prudent.
- Documentation of the purchase must be maintained by the Provider. This documentation must include:
 - The name of the vendor
 - Item purchased
 - Date
 - Amount paid

For 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.

For 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
 - Time, date, place and form of requested responses
 - Name of the employee responsible for securing bids. The bids must be maintained by the Provider.

Federal Funding Only

As of June 2018, the Federal threshold for purchases increased from \$3,500 to **\$10,000**
For purchases with a value of **\$10,000** or less:

- A purchase may be awarded without soliciting competitive quotations if the provider considers the price to be reasonable.

For purchases **\$10,001 or greater**:

- A minimum of **three (3) written** bids must be obtained from three qualified sources.
- The bids must contain:
 - A description of the item requested
 - Time, date, place and form of requested responses
 - Name of the employee responsible for securing bids. The bids must be maintained by the Provider.

If there is any inconsistency with the information contained in this manual governing federal funds with the Federal Uniform Guidance/OMB Super Circular, the [Super Circular](#) controls.

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

SECTION FIVE: CREDIT/DEBIT CARDS POLICIES AND PROCEDURES

Policies and Procedures for Use Credit/Debit Cards

Providers are required to have written policies and procedures to establish an internal control structure for credit/debit card use. These policies and procedures **must** include:

1. 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.
2. Credit cards must be established in the name of the Provider and used solely for carrying on the operations of the Provider.
3. Prohibits use of cards to split orders or otherwise circumvent bidding thresholds.
4. Instructions on employee responsibility and written acknowledgements signed by all authorized users; specifying that the safeguard of, and charges appearing on, each card, are the responsibility of the cardholder and prohibiting purchases that are personal in nature. Establish custody of the cards when not in use.
5. Procedures for card issuance and cancellation, lost or stolen cards, and employee termination.
6. Set spending and transaction limits for each cardholder both per transaction and on a monthly basis. Require preapproval for purchases over those limits.
7. Requires proper documentation for all transactions. Establishes a means to recoup any unauthorized expenditures.
8. Clear guidelines on the appropriate uses of credit cards, including approved and unapproved vendor categories.
9. Guidelines for making purchases by telephone, fax or internet
10. Record-keeping requirements, including review and approval processes.
11. 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.
12. Limits cash withdrawals/advances to emergency situations (with emergencies to be defined), and requires such withdrawals to be governed by the following rules:
 - a. Amount may not exceed \$200 per ATM withdrawal.
 - b. 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.

- c. 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).
 - d. 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.
 - e. Each expense emanating from an ATM withdrawal must be properly recorded in the Provider's books of account.
 - f. 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.
13. Procedures for transferring paper records to electronic record storage, if applicable.
 14. Segregation of duties for payment, accounting and reconciliation. Periodic audits for card activity and retention of sales receipts and documentation of purchases.
 15. 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

SECTION SIX: PETTY CASH POLICY

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.

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 in writing.
3. When a cash payment is made from the Petty Cash Fund, a Petty Cash Voucher (see sample on the [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 vendor name
 - Date of purchase
 - Item purchased
 - Price per item
 - Total price for the quantity received
 - Who made the purchase

The custodian may require purchaser to sign or initial original receipts. Upon receipt of completed information, the petty cash expenditures will be reimbursed by the fund custodian.

6. Each expense from the petty cash voucher must be journalized 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

Suggested Petty Cash Control Procedures:

- In the event the fund custodian has a scheduled absence, a temporary custodian can be assigned by the Executive Director or a designee. The funds must be counted in the presence of the authorized custodian before the leave period begins and again once the custodian returns.
- Unannounced cash counts should be performed quarterly by someone other than the Custodian. The individual should be selected by the Executive Director or a designee, preferably not the same person each quarter. The cash counts should be recorded on an official Cash Count Form. This cash count should always be done in the presence of the Custodian and when completed should be signed by the performer as well as the custodian. Any over/shorts must be reported to the Controller for proper recording and to correct the cash position.
- Where possible, keep locked box in limited access locked drawer, safe or file cabinet. Funds must be secured each time the custodian leaves the office. The keys to the box and file cabinet, safe, or drawer should be kept in the possession of the custodian, not left in the desks or in the office overnight.

SECTION SEVEN

GENERATED INCOME

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

SECTION EIGHT: HHS ACCELERATOR FINANCIALS – INVOICES AND PAYMENTS

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.

Initial Advances

Once the contract is registered and there is an Active Budget, the Provider will receive notification from HHS Accelerator Financials. DYCD **may** initiate and process an initial advance for 25%. A separate initial advance will be issued for each budget code, if there are multiple budget codes listed on your sub-budgets.

Please Note: Initial Advances are **not allowed for WIOA contracts**.

Recovery

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.

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 Documentation 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 below which will need to be uploaded to your HHS Accelerator Financials Invoice (on the document tab) at the time of submission. CSBG contracts have an additional requirement see below.

Required Documents When Submitting Invoices:

Back-up documentation for Invoice submission can be found here:

<https://www1.nyc.gov/site/dycd/involved/funding-and-support/cbo-contract-agency-finance-department-payment-unit.page>

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). This form is not to be used for WIOA contracts, see below.

2. WIOA Salaries and Wages Justification Details

Effective 7/1/2020 this form will be required for WIOA contracts. It includes additional information to capture the work experience % and work experience claim amounts.

3. CSBG HHS Invoice-Attachment

Effective 7/1/2020 this form will be required for CSBG contracts in the following programs areas with the corresponding budget codes listed on the Sub Budgets. It will only be required with the submission of the October, November and December HHS Accelerator Invoices.

Program Areas	Corresponding CSBG Budget Codes
NDA	9811/6780/005
Fatherhood	9812/6780/005
Adolescent Literacy	9813/6780/005
Services for Immigrant Families	9814/6780/005
Literacy NYCALI	9920/6780/005

4. 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, 2020). An example of this would be a payroll issued 07/10/20 with a payroll service period of 06/22/20 through 07/03/20. Only June 22 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 15 th no later than October 30 th
October-December	Submission Date January 15 th no later than January 30 th
January-March	Submission Date April 15 th no longer than April 30 th
April-June	Submission Date July 15 th no later than July 30 th
Final Invoice	Submission Date <u>due</u> 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- **(Except WIOA)**
 20. Severance payment
 21. Tips and Gratuity
 22. Alcoholic Beverages
 23. Bad Debt
 24. If federal funds are used, Entertainment Costs are not reimbursable
- For any questions regarding whether an expense is reimbursable please email the 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

If a Provider proposes to engage a Subcontractor on a human service contract, DYCD requires the Subcontractor to be listed in the City's Payee Information Portal (PIP).

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
- Enroll for EFT/Direct Deposit program online via the Payee Information Portal (PIP) at nyc.gov/PIP. PIP is now available for vendors to set up a single bank account for all vendor payments made from the New York City Financial Management System (FMS). Both existing and new city vendors can sign up for EFT/Direct Deposit through PIP.
- Existing EFT enabled vendors with a PIP User ID and password can update their bank account information in PIP.
- New vendors doing business with the City of New York can create a new PIP account and vendor code, and then add their bank account information for EFT/Direct Deposit immediately.
- 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.

SECTION NINE

YEAR END CLOSE OUT

SECTION NINE: YEAR-END CLOSEOUT

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.

Deadline for Submission of Final Invoice in HHS Accelerator Financials

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

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, **Attention:** Erick Nieves 2 Lafayette, 19th Floor, New York, NY 10007.

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, Provider must close out their records. Providers will no longer receive a close out letter since all information is available online.

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

A 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 **Sixty (60)** days of registration.

Reconcile checks

Verify that all checks were received prior to the Year End close out and notify DYCD of lost checks by e-mailing the **CAFD Help Desk** at CAFDhelp@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.

WIOA Year-End Close Out Requirements

A financial report is required **Ninety (90)** days after the expiration of a funding period or the termination of a contract as per [Title 20 Code of Federal Regulations \(CFR\) WIOA final rule section 667.300\(d\)](#).

The Closeout process determines whether all applicable administrative actions and all required work of an award have been completed by the Provider. A timely closeout of the contract is required to be performed after the award has expired.

DYCD requires that Providers submit closeout packages and related documents by the due date, which is **Ninety (90) days** after the expiration of a funding period or the termination of an award, whichever comes first. A Closeout Letter with the related Closeout Package is sent to the Provider's Executive Director for completion and submission approximately one month before the due date. The completed Closeout Package with the Provider's related audit report and final HHS Invoice must be submitted to the attention of the Director of Revenue Audit for review and approval.

SECTION TEN

CENTRAL INSURANCE PROGRAM (CIP) FOR PARTICIPATING PROVIDERS

SECTION TEN: 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 Insurance, Workers' compensation, Disability Insurance and Paid Family Leave Coverage benefits to Providers that opt to buy in. 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

REPORTING & AUDIT REQUIREMENTS

SECTION ELEVEN: AUDIT

Reporting and Audit Requirements

Sources of Audit and Fiscal Field Review Criteria

Audits and Fiscal Field Reviews (FFRs) conducted by DYCD's AIR Unit and DYCD's contracted CPA Firms have several sources of criteria that are audited. This manual is one such source of audit/FFR criteria.

Additional Audit/FFR criteria sources include:

- Provider's contracts with DYCD (including all Appendices)
- The City of New York Standard Audit Guide
- The City of New York Health and Human Services Cost Policies and Procedure Manual
- The Standards for Internal Control in the Federal Government, issued by the Comptroller General of the United States (also known as the Green Book),
- All applicable City, State, and Federal laws
- For contracts that include Federal funding: 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([Federal Uniform Guidance/OMB Super Circular](#))
- For contracts that include WIOA funding: New York State Department of Labor requirements also apply.

Failure to adhere to the requirements included in this manual and the other sources of audit criteria listed in the paragraphs above may result in disallowed costs, which would be recouped by DYCD, and may negatively impact a Provider's PASSPort rating.

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 HHS Accelerator Financials. The audit is performed after the City 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"). An 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 this Fiscal Manual and Provider's DYCD the contract. The FFR may result in both administrative and fiscal findings. FFRs are performed either by DYCD Audit staff or CPA firms under contract to DYCD.

Standard Audit Guide

Effective July 1, 2017 [The City of New York Standard Audit Guide](#) is the primary source for guidance on audit planning, execution, reporting and follow-up procedures for Auditors, Auditees, and Agencies. If there is a conflict between the terms of DYCD’s Fiscal Manuals and the Standard Audit Guide, the Standard Audit Guide shall take precedence.

The full policy can be found at the link below:

<https://www1.nyc.gov/assets/nonprofits/downloads/pdf/Standard%20Audit%20Process%20Guide%202019.04.11.pdf>

New York State Requirements

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, as amended:

Effective Dates	Level of Gross Revenues	CPA Audit or CPA Review
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	Prepare and file an annual GAAP-compliant financial report, accompanied by an annual financial statement that includes an independent CPA’s review report.
	\$750,000 or more	Prepare and file an annual GAAP-compliant financial report on forms prescribed by the Attorney general, accompanied by an annual financial statement that includes an independent CPA’s review report containing a signed opinion that the financial statements are presented fairly in all material respects and in conformity with GAAP.
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 \$1,000,000	Prepare and file an annual GAAP-compliant financial report, accompanied by an annual financial statement that includes an independent CPA’s review report.
	\$1,000,000 or more	Prepare and file an annual GAAP-compliant financial report on forms prescribed by the Attorney general, accompanied by an annual financial statement that includes an independent CPA’s review report containing a signed opinion that the financial statements are presented fairly in all material respects and in conformity with GAAP.

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.

Federal Requirements

Providers that expend \$750,000 or more in federal awards per fiscal year must have a single audit conducted for that year in accordance with the provisions of [Title 2 CFR Subpart F, §200.501 of the OMB Uniform Administrative Requirements \(Federal Uniform Guidance/OMB Super Circular\)](#).

Providers subject to the provision stated above, may only allocate a portion of the Single Audit Report cost to their federally funded contracts.

In addition, for federal reporting purposes, most Not-for Profit Providers may be required to file an information return (e.g., IRS Form 990).

Contracts with Federal Funding	Sub-Budget	Catalog of Federal Domestic Assistance - CFDA#
Workforce Innovation and Opportuntiy Act-WIOA		
OSY-Train & Earn	3702/6780/312	17.259
ISY-Earn & Learn	3715/6780/312	17.259
Community Development Block Grant-CDBG		
Beacon	4180/6950/312	14.218
Literacy NYCALI	9917/6780/005	14.218
*Community Service Block Grant-CSBG		
NDA	9811/6780/005	93.569
Fatherhood	9812/6780/005	93.569
Adolescent Literacy	9813/6780/005	93.569
Services for Immigrant Families	9814/6780/005	93.569
Literacy NYCALI	9920/6780/005	93.569
<i>*Effective 07/01/2020 (FY21) CSBG Budget Codes have been revised to the Budget Codes listed on this chart.</i>		