

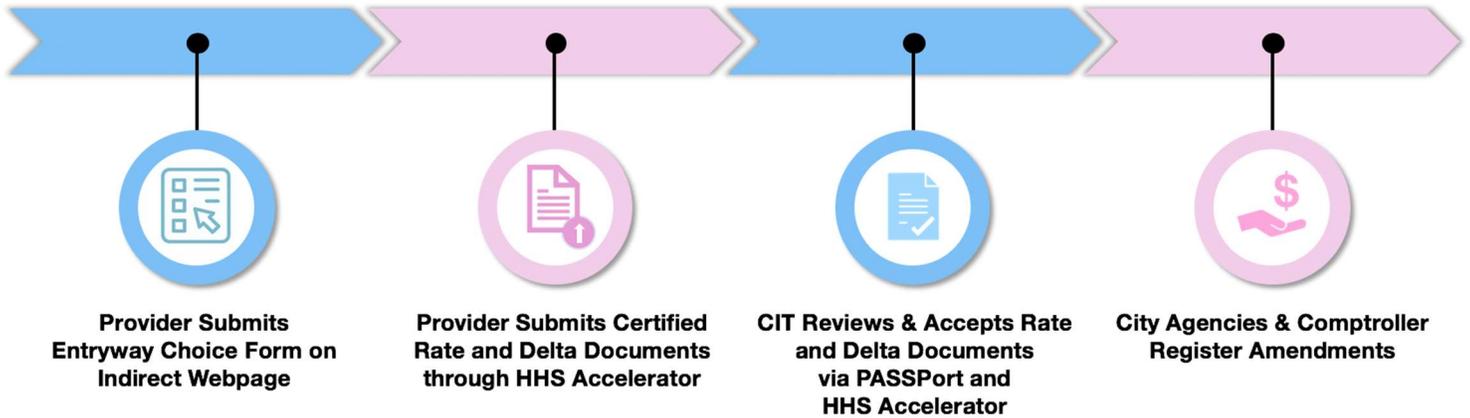
NYC Indirect Cost Rate Funding Initiative

August 2020 Report to New York City Council

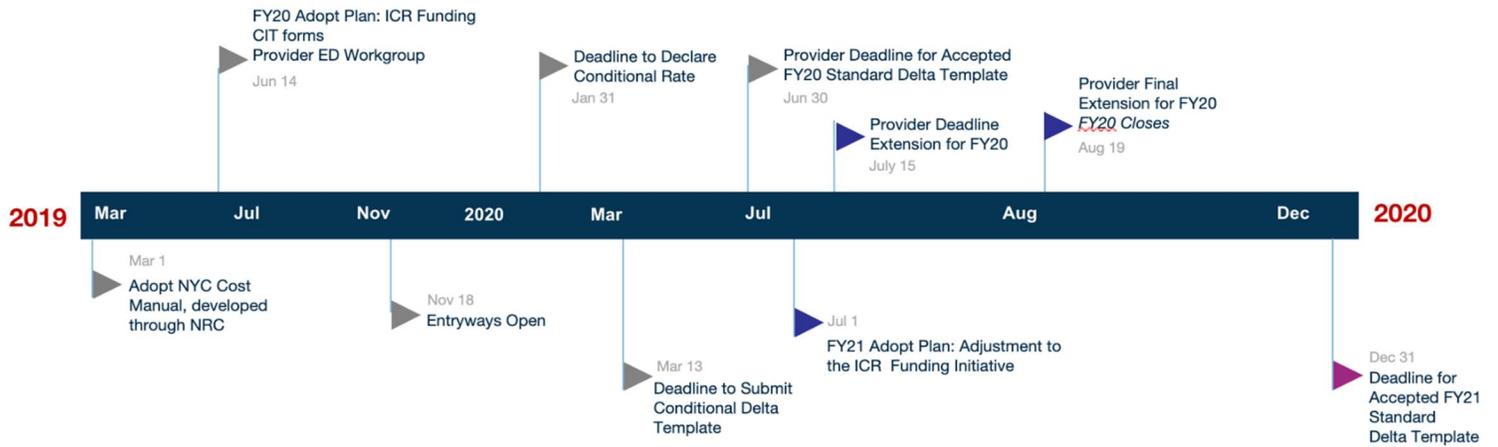
BACKGROUND

In March 2019, the City of New York adopted the Health and Human Services Cost Policies and Procedures Manual (Cost Manual) to standardize cost definitions, indirect cost rate (ICR) calculations and ICR claiming policies for health and human service contracts. In June 2019, the Mayor and City Council reached an historic agreement and established an ICR funding initiative in the Fiscal Year 2020 (FY20) Budget. Within days of the “handshake,” a City Implementation Team (CIT), led by OMB and MOCS, was designated to operationalize the investment. The CIT co-designed the implementation plan and process steps with Council Finance, the Provider Executive Director Workgroup and Provider and Agency Financial Leadership Workgroups. On November 18, 2020 the CIT kicked off the process for providers to claim their indirect cost rate and additional funding. In negotiating the Fiscal Year 2021 Budget, City Council and the Administration were faced with unexpected and sharp declines in revenue due to the devastating impact of COVID-19. Funding was cut across the board, including the ICR Funding Initiative. On August 11, the City released the revised [FY20 ICR funding policy](#) which maintains 60% of the expected additional investment. This City Council Report, originally scheduled for July 31, was delayed to include the FY20 funding policy.

CLAIMING PROCESS



INITIATIVE TIMELINE AND KEY DATES

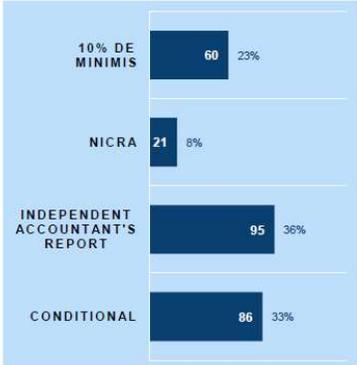


STATUS OF ORGANIZATIONS UNDER REVIEW

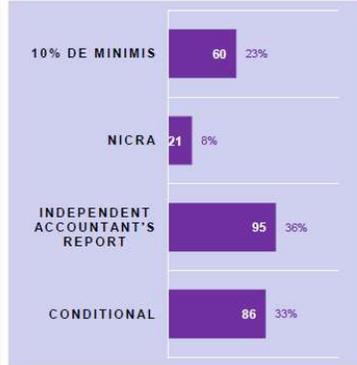
As of August 25, 2020, the process metrics are as follows. The CIT has responded to all 262 organizations that have submitted entryway forms by uploading Delta Templates to HHS Accelerator’s digital platform. 238 providers (91%) pursued the process to receive Accepted ICRs and Delta Templates for FY20 processing. The CIT extended the deadline for FY20 acceptance twice, with a final closing date of August 19, 2020. Providers who did not enter the process in FY20, may claim funding retroactive to FY21 by obtaining Accepted ICRs and Delta Templates by December 31, 2020. Providers are supported through this process through a digital, centralized resource center at nyc.gov/nonprofits that includes videos, job aids and checklists. Additionally, the CIT sends weekly emails to providers, agencies and coalitions and offers live and recorded webinars. More than 70% of providers who have completed the ICR claiming process indicated that the CIT’s communications are clear and actionable.



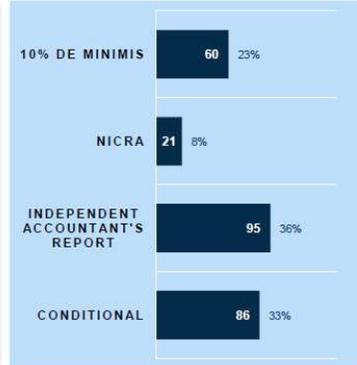
PROVIDER:
Entryway Forms Submitted



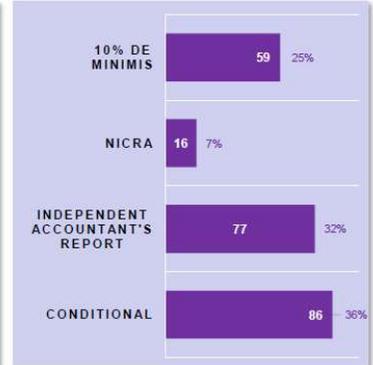
CIT:
Delta Templates Shared



PROVIDER:
Delta Templates Received



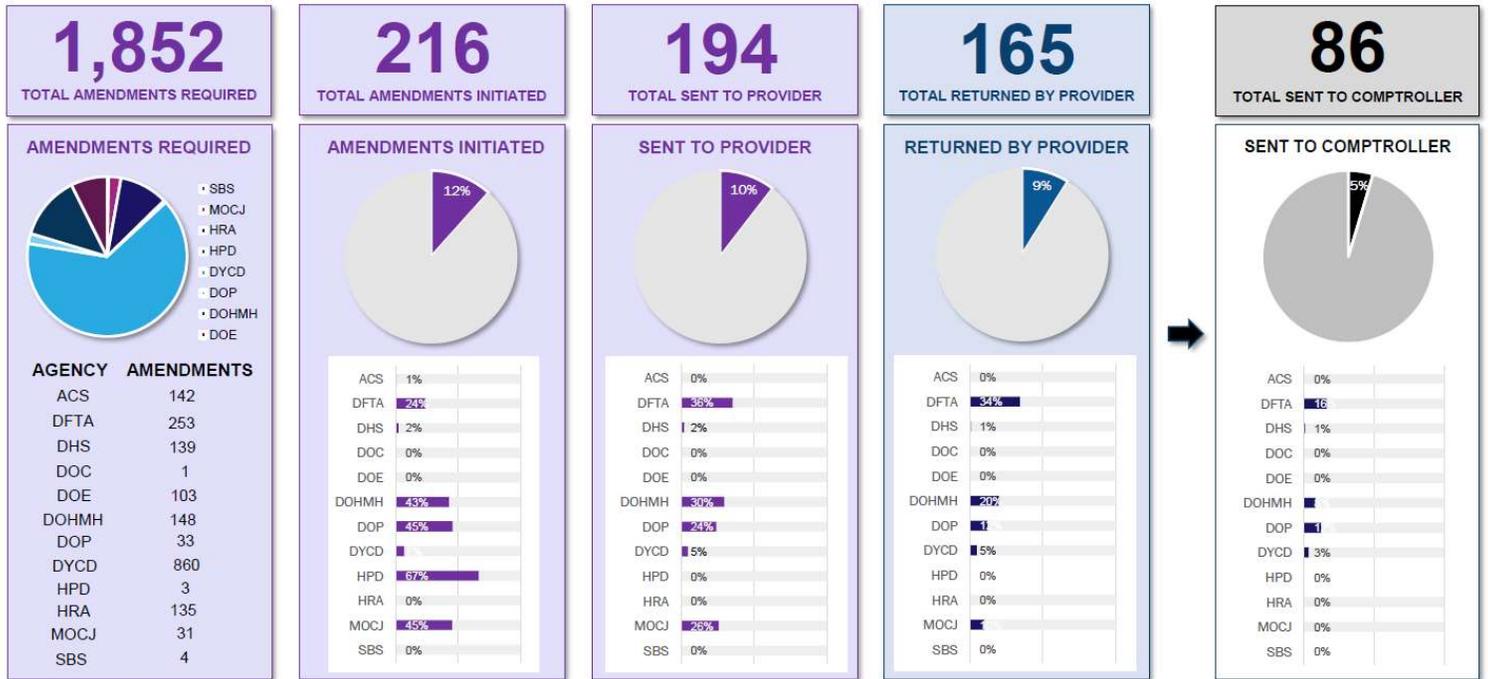
CIT:
Accepted Indirect Rates



Note: The number of Entryway Choice Forms has decreased to reflect the number of providers that have withdrawn their entryway.

STATUS OF CONTRACT AMENDMENTS

On average, each Delta Template contains 9 contracts. Accordingly, the current 238 Delta Template in circulation represent 1,852 contract amendments. With the Adopted FY21 Budget, the CIT is working with providers and City Agencies to address amendments in circulation and to expeditiously execute FY20 amendments.



Note: The number of amendments required represents the total number of funding amendments and excludes language only amendments.