

Provider FAQ: Technical Update on Indirect Cost Rate (ICR) Funding Initiative

The City Implementation Team (CIT) held webinar sessions on August 25th and September 2nd to provide more information about the implementation of the FY21 Adopted Budget and answer questions received from providers. The following questions were asked by providers. The CIT has provided answers. The webinar recording is available on the [ICR Funding Initiative Webpage](#).

Revisions to FY20 Amendments

- **What are amendments?**

Contract amendments are the mechanisms for adding funding and/or text to a contract.

- **If my organization has multiple contracts, will one amendment cover all FY20 funding, or will there be one amendment for each contract?**

Each contract requires a separate amendment. Agencies will work with the provider on amendments per contract.

- **When should we expect to receive FY20 amendments?**

Amendments will be issued on a rolling basis. Providers should contact their contracting agency for information on a specific contract amendment.

- **How does the 60% funding determination affect FY20 and FY21 contracts?**

Please refer to the August 11 communication and the technical webinar for information about FY20 and FY21 funding.

- **Will the 60% funding apply to the percentage above a de minimis rate?**

If your organization has a Conditional ICR or an Accepted ICR based on an Independent Accountant's Report or Negotiated ICR Agreement (NICRA), the City is funding 60% of the FY20 value of your amendment(s), but not less than a 10% ICR value, as determined in your organization's Accepted Delta Template.

- **What if your amendment value is negative for some contracts?**

The City will not issue negative amendments in conjunction with this Initiative. However, in cases where the Accepted Delta Template indicates a negative amendment value for a particular contract, providers should work directly with the contracting City Agency to reallocate those costs to appropriate Direct Cost line items.

- **How will we receive FY20 contract amendments: in PASSPort or HHS Accelerator?**

Contract amendments will be sent to providers for execution by their contracting agency(ies). Providers should contact their contracting agency for information on a specific contract amendment.

- **Can you please explain the 60% calculation based on the Conditional Delta Template?**

If your organization has a Conditional ICR, the City is funding 60% of the FY20 value of your amendment(s), as determined in your organization's Accepted Conditional Delta Template, but not less than a 10% ICR value.

- **We received some of the amendments prior to the 60% calculation. Are we going to receive a new amendment reflecting the correct amount?**

Please look for communication from your contracting agency(ies).

- **Does this mean that even though FY20 is over we can still spend on these amendment amounts?**

Providers may only request reimbursement against their FY20 budget for expenditures where goods or services were delivered on or before 6/30/20.

- **If my organization did not receive an FY20 Accepted ICR, is it too late for us to submit?**

Yes, if your organization claimed an ICR but did not receive an Accepted ICR or is not currently in sampling and testing, then your organization would have to resubmit an Entryway Choice Form to enter the Initiative in FY21.

FY21 Processing and Entryway Choice Forms

- **We completed the Entryway Choice Form. How do we check to see if our application is being reviewed?**

Upon receipt of the Entryway Choice Form, the CIT will upload to the Provider's HHS Accelerator Document Vault a pre-populated Delta Template, which the provider will need to complete and upload back to their HHS Accelerator Document Vault within 30 days of receipt. After submission, the CIT will begin review and reach out to the Provider if they have any questions.

- **If my organization does not submit an Entryway Choice Form, do we automatically receive a 10% ICR for FY21?**

If your organization does not submit an Entryway Choice Form, your contracts will remain at their current funding levels in FY20. If you do not receive a City Accepted ICR by 12/31/20, your organization will revert to 10% de minimis ICR.

- **If our approved Delta Template included FY21, do we need to submit a new Entryway Choice Form?**

If your organization has an Accepted ICR, the rate is valid for three fiscal years and you do not need to submit a new Entryway Choice Form.

- **If we received a Delta Template, but are in the process of completing CPA review, do we have to submit a new Entryway Choice Form?**

Providers must complete and upload their Delta Templates to their HHS Accelerator Document Vault within 30 days of receipt from the CIT to facilitate timely and accurate amendment registration. Providers who are not able to meet that timeframe will need to resubmit an Entryway Choice Form when ready to proceed.

- **If we have a Conditional ICR do we still need to complete a Delta Template for FY21, or submit an Entryway Choice Form for FY21?**

Yes, providers who chose the Conditional ICR for FY20 must submit an Entryway Choice Form and accurate Delta Template with required Verification Documentation by 12/31/20. We recommend submitting the Entryway Choice Form by 11/1/20 to ensure timely acceptance.

- **We submitted an Entryway Choice Form for FY20. Do we need to do so for FY21 as well?**

If you submitted an Entryway Choice Form in FY20 that resulted in an Accepted ICR, you do not need to submit another – your ICR is valid for three fiscal years from FY20 to FY23. If you did not receive an Accepted ICR for FY20, then you would need to submit an Entryway Choice Form for FY21.

- **Do I need to resubmit an Entryway Choice Form if our FY20 Independent Accountant's Report was not accepted with our Delta Template?**

If your organization claimed an ICR greater than 10% but did not submit an accurate Delta Template or Verification Documentation by the final August 19th deadline, then your organization would have to resubmit an Entryway Choice Form to enter the Initiative in FY21.

- **If we choose the 10% de minimis, is there anything more we must do?**

Providers who elect the 10% de minimis must still complete and upload their Delta Templates to their HHS Accelerator Document Vault within 30 days of receipt from the CIT and receive an Approved ICR for 10% de minimis.

- **Can organizations get an Independent Accountant's Report based on 6/30/19 audited financials to establish an ICR for FY21?**

If you are electing the Independent Accountant's Report option to establish an ICR, it must be based on your most recent audited statement of financials.

- **What ICR should we use to claim in FY21?**

If your organization has an Accepted ICR, it may use that rate for its budgets.

- **Will FY21 processing be retroactive to July 1, 2020?**

If a provider receives an Accepted ICR in FY21, it is retroactive to 7/1/20.

Completing Delta Templates and Getting an Accepted ICR

- **Is there training on completing the Delta Template?**

The [ICR Funding Initiative Webpage](#) includes user materials, including an instructional webinar, on how to complete the Delta Template.

- **Will the City be contacting providers that have not submitted the necessary documentation?**

The CIT will reach out to providers that submit incomplete or inaccurate Delta Template and Verification Documentation. Providers that have had their Delta Templates returned for revisions must complete pending items and upload their revised Delta Templates to their HHS Accelerator Document Vault within 15 days of receipt from the CIT.

- **Do we have to revise the Delta Template each time new contracts are registered that were not originally on the template for FY21?**

It is not necessary to revise the Delta Template once it has been Accepted.

- **Would we have been contacted already if we are in sampling and testing?**

Yes.

- **Where do we get our updated Delta Template?**

If your organization has an Accepted ICR, the Accepted Delta Template is uploaded and shared with your organization in the HHS Accelerator Document Vault.

- **We did not submit our Delta Template by August 19 for FY20. Do we still receive a current ICR with HHS Accelerator? If we submit the Delta Template for FY21, are we still be able to keep our current rate?**

Providers must receive an Accepted ICR by 12/31/20 or they will revert to the 10% de minimis.

ICR Implementation

- **Is the Department of Education implementing the ICR?**

Yes. The ICR applies to DOE human services contracts. Please see Section II.D of the Cost Manual for exceptions to the ICR Funding Initiative.

- **Will the ICR be implemented into HHS Accelerator and applied accordingly?**

The ICR in HHS Accelerator is calculated according to the Simplified Allocation Methodology. Organizations may use different ICR calculation methodologies per Section VI.A of the Cost Manual.

- **What if the current ICR in our contracts is greater than either the 10% ICR or 60% of the amendment value? Can we opt out of FY20?**

If a vendor with an Accepted ICR chooses to opt out, they must notify help@mocs.nyc.gov immediately. This will invalidate their Accepted ICR and they will no longer be eligible for any FY20 funding. Further, they will need to fill out an [Entryway Choice Form](#) and follow the process for receiving an Accepted ICR before the Initiative closes on 12/31/20.

- **What if we make a budget modification that changes our direct cost base for FY21? Will that affect our total budget amount after we set up accepted ICR?**

No, original contracted values are not changing in connection with the Initiative.

- **Will budget modification deadlines be adjusted?**

Please contact your contracting agency regarding any contract or program specific deadlines.

- **Per the Cost Manual, we were requested to move some expenses from Direct to Indirect. Is this still the expectation considering we are only receiving 60% of the amendment, which takes into consideration the adjustments?**

The Cost Manual was adopted for use across all human services contracts effective in FY20. Budgets must be aligned with the Cost Manual guidance.

- **Once we receive our Accepted ICR, can we use that rate for all budgets starting 7/1/20?**

If your organization receives an Accepted ICR in FY21, it may use that rate for all budgets starting 7/1/20.

- **Will we receive a new ICR for FY21 if we have an approved rate, and how?**

No. If you have an Accepted ICR from FY20, that rate is valid for three years – through FY23.

- **What about contracts where we expect an extension or renewal – will we still get an amendment value?**

If an organization has an Accepted ICR, it will be applied to current contracts, pursuant to the Cost Manual.