



Department of Youth & Community Development

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NEW YORK, NEW YORK 10038

Fiscal Manual for HHS Accelerator Financials Users

For Use by: Cornerstone, YAIP, Immigration Opportunity Initiatives, RHY, SONYC & COMPASS

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Appendix of Forms:

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

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

All applicable forms should be uploaded into HHS Accelerator including:

1. Audit Cost Allocation Form
2. Certificate of Insurance Sample
3. Certificate of Insurance NYCHA/DOE Sample
4. Certification by Broker
5. Consultant Agreement
6. Consultant Agreement Modification Form
7. Request for Budget Modification Form
8. Space Rental Cost Allocation Form
9. Subcontractor Agreement
10. Subcontractor Agreement Modification Form
11. Subcontractor Approval Form
12. Salaries and Wages Justification Details
13. Equipment Purchase Inventory Report

Frequently Used Acronyms:

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

Introduction and Overview

The Bureau of Budget and Finance (BBF) is responsible for monitoring the fiscal compliance of DYCD's human services contracts. Depending on the funding stream, there are different regulations which govern the administration and expenditure of program funds. To provide guidance to our Providers, DYCD has developed fiscal manuals for Workforce Innovation Opportunity Act ("WIOA"), Fiscal Agent, HHS Accelerator Financials and General contracts. All manuals are available on DYCD's website under the Resources for Non-Profits tab, or at:

http://www.nyc.gov/html/dycd/html/resources/cbo_budgets.shtml

The requirements outlined in this Fiscal Manual apply to Cornerstone, YAIP, COMPASS, RHY and IOI Programs. These are the first set of DYCD funded programs to use HHS Accelerator Financials.

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

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

Risk Management coordinates New York City's Central Insurance Program (CIP) for Providers that do not have their own general liability insurance. CIP includes specific insurance (General Liability, Worker's Compensation and Disability) that pertains to DYCD funded activities. The Risk Management Unit is also responsible for collecting and maintaining the general liability insurance certificate of each Provider not participating in CIP to ensure compliance with contract insurance requirements.

Contract Agency Payment Unit

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

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

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

PROVIDERS MUST REQUEST AN INITIAL ADVANCE THROUGH HHS ACCELERATOR FINANCIALS. There is a process in the system for requesting advances. Please indicate “Initial Advance” on your request.

Contract Agency Audit Unit

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

SECTION ONE

THE BUDGET

BUDGET OVERVIEW

After a contract is awarded and configured in HHS Accelerator, 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 (blue tab) will be pre-populated with the DYCD ID #, Budget and Object Code #, Program Name, and the Budget Amount.

Fiscal Year Budget Information						
Start Date	End Date	FY Budget	YTD Invoiced Amount	Remaining Amount	YTD Actual Paid Amount	
07/01/2016	06/30/2017	\$1,000,000.00	\$0.00	\$1,000,000.00	\$0.00	
					<input type="button" value="Save"/>	<input type="button" value="Submit"/>
60789A 3551/6950 COMPASS						\$1,000,000.00 <
Documents						<
Advances						<
Assignments						<

Operating Period

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

HHS Accelerator Financials

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

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

In this example, Providers will submit their FY 2016 budgets outside of HHS Accelerator Financials. Beginning with FY 2017, 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 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. The policy should 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.

Insurance must be obtained from a company licensed to do business in the State of New York. **The City of New York, together with its officials and employees, must be included as additional insured in the Description Box** on the certificate of General Liability. **If the contracted program is located in a New York City Housing Authority or Department of Education facility, as the case may be, NYCHA and/or DOE, together with their officials and employees, must also be included as an additional insured.** The Risk Management Unit must receive written notification within fifteen (15) days if the policy is cancelled during the contract term.

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

Providers must make available an **original 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 Provider being placed on check hold. Non-compliance may be reflected in the final Performance Evaluation (VENDEX) of the contract. DYCD retains the right to enroll a non-compliant Provider in CIP and to withhold 4.5% of the contract.

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 \$2,500 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.

State Unemployment Insurance (SUI). For calendar year 2014, SUI is budgeted at the Providers insurance rate for up to and including the first \$10,300 of an employee’s salary. As a result of changes in NYS law, the wage bases will be adjusted annually on January 1. The wage base is the amount of an employee’s wages used to calculate an employer’s Unemployment Insurance contributions. The table below lists the wage bases for 2014-2020.

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

January 2014	\$10,300
January 2015	\$10,500
January 2016	\$10,700
January 2017	\$10,900
January 2018	\$11,100
January 2019	\$11,400
January 2020	\$11,600

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 should be cost-allocated under Personnel Services **or** budgeted under the Indirect Costs rate category. Providers may have employees work under multiple program budgets. Estimate the percent of time devoted to each and allocate only the appropriate amount to each program budget. The total of all amount budgeted to one staff person (including programs not funded by DYCD) cannot exceed 100%.

Salaried Employee

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

Hourly Employees

For DYCD contracts, a Part Time employee is defined as someone who is scheduled to work less than 35 hours per week and/or is paid on an hourly basis, and retains a part-time employment status with the Provider. A part-time employee is allowed to work more than 35 hours per week during a specific season (e.g. summer) but must maintain an overall part-time status.

Seasonal Employee

For DYCD contracts, a Seasonal Employee is defined as a temporary employee hired by the Provider for a specific work season and whose employment with the Provider will terminate at the end of the season. Seasonal employees may work on a full time or part time basis during their employment.

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 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. 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 should be pro-rated over the operating period. The following is a description of the OTPS categories:

Office Supplies

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

Facilities Repairs & Maintenance

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

Safety and Health

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

Waste & Recycling Removal

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

Staff Transportation

Transportation costs refer to costs incurred for local travel by the employees to conduct official business related to the DYCD contract. Travel may be by public transportation, by a Provider's vehicle, or personal automobiles used for Provider business. Costs for the use of a personal automobile will be reimbursed at a maximum rate of \$0.28 cents per mile plus tolls. 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 should charge expenses for business-owned vehicles such as car maintenance, gasoline and tolls to this category. Provider-owned vehicles used for DYCD purposes must be co-insured with the City of New York as named beneficiary. **Tickets for traffic violations may not be paid with funds from DYCD contracts.**

Real Estate Tax

This is not an allowable expense for DYCD funded contracts.

Bank Charges

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

Printing

Printing costs (e.g., workshop materials, annual report, etc.) with the exception of related costs for recruitment purposes.

Client Transportation

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

Client Supplies & Activities

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

Client Stipends

Stipends are only allowed for the benefit of participants (clients) or volunteers 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 is a nominal allowance and may be paid according to hourly, daily or weekly rates. A stipend **may not** be used to displace an employee or position, including partial displacement such as a reduction in hours and wages, to avoid hiring salaried workers, or to perform services that would otherwise be performed by an employee, including an employee who recently resigned or was discharged, an employee who is subject to reduction in workforce, or an employee who is on leave. Stipends may not be used to pay for 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.

Incentive Payments/Bonus

Incentive Payments are non-monetary items (such as gift cards or movie tickets) allowed only for the benefit of participants (clients) or volunteers of the program. 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. **Bonus payments to Provider staff, clients and volunteers are not allowed under DYCD contracts.**

Prepared Meals

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

Raw Food

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

Other

Expenses which do not fall into any of the categories described above are referred to as Other Operating Costs.

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. Contact the assigned DYCD Program Manager regarding continued use or other disposition of equipment. DYCD will consider requests for continued use or other recommended disposition of such equipment, upon termination or non-renewal of a contract.

The Equipment category also includes costs associated with equipment rental, lease, licensing fees, computer software, repair and maintenance of office/programmatic equipment used in the performance of the Provider's operation. All items must be listed in the budget. Maintenance service contracts and payments for equipment repair and maintenance may also be reflected in this category. (Equipment or furniture leased with an option to buy may also become the property of DYCD at the end of the contract.) An Equipment Purchase Inventory report that lists a serial #, model #, manufacturer, date of purchase and delivery will be required at the time of invoice submission.

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

Allocations for AmeriCorps or CityYear should be budgeted to this category.

Rent Tab

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

Public School

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

Space Cost/Other

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

Contracted Services Tab

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

Consultants

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

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

For each consultant listed, a signed and notarized Consultant Agreement along with a recent resume must be uploaded to the Document Tab in the budget. Consultants retained by a Provider must enter into a written agreement detailing the specific tasks to be performed. Consultants will be allowed by DYCD only for those services that cannot be performed by Provider staff. If a consultant's services are required for an extended period, such an individual must be hired as an employee. Consultant Agreements and invoices must be maintained by the Provider for 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

The maximum percentage of subcontracting allowed is determined by the respective program area. Subcontractors are independent entities retained to perform specific programmatic services. A Subcontract Agreement will be governed by the terms of the DYCD contract. Depending on the size of the subcontract, approval of a subcontract may require the completion of VENDEX Vendor and Principal Questionnaires and other information about the entity.

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

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

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

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

Vendors

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

Unallocated Funds

This category includes allocations for the Central Insurance Program (CIP), Fiscal Agent fees and Van Maintenance fees. These items are covered and paid by DYCD. The costs are non-reimbursable and Providers will not have access to these funds. 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 as well as certain coverage for child or sexual abuse. All cases of alleged child or sexual abuse must be reported **immediately**, to avoid

possibility of claim being rejected as untimely. The insurance does not cover property loss and theft insurance.

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

Vehicle Maintenance

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

Fiscal Agent Services

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

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

Fiscal Agent Fees

Fiscal Agent Services fees must be allocated in the Unallocated Funds tab in accordance with the scale indicated below. Please note this schedule is subject to change:

<u>CONTRACT DOLLAR VALUE</u>	<u>FISCAL AGENT SERVICE FEES</u>
\$2,500-\$25,000	\$400
\$25,001-\$50,000	\$3,200
\$50,001-\$100,000	\$4,400
\$100,001-\$200,000	\$5,500
\$200,001-\$300,000	\$6,000
\$300,001-\$400,000	\$6,500
\$400,001-\$500,000	\$7,500
Over \$500,000	\$10,000

Note:

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)

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

indirect costs. The maximum Indirect Cost rate allowed by DYCD is 10% of the **total budget amount**. Please disregard HHS Accelerator calculations at this time, and ensure your direct indirect dollar amount does not exceed 10% of the total budget amount. HHS Accelerator Financials may display a rate higher than 10%.

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

Note:

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

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 until the modification is approved.**

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

When submitting a Budget Modification through HHS Accelerator Financials:

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

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

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

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

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

SECTION THREE

INTERNAL CONTROLS AND GENERAL ACCOUNTING PROCEDURES

INTERNAL CONTROLS

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

The following are examples of internal control activities:

- Segregation of Duties: Duties and responsibilities should 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 should 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: An 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.

Bookkeeping Practices and Procedures

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

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

Timesheets

Timesheets must be completed for all 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 DYCD's 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 cost allocation plan. The plan must include an explanation of its methodology detailing the basis used in allocating cost to its various DYCD programs. Additionally, as required by Office of Management and Budget (OMB) Circular A-122, 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 (2 CFR 215.21(b)(7)). Allocation methods and distribution of cost must be based on a generally accepted accounting practice prescribed by OMB Super Circular regulatory guidance and in accordance with Generally Accepted Accounting Practice. Refer to Office of Management and Budget for guidance: 2 CFR Chapters I, and Chapter II, Parts 200, 215, 220, 225, and 230 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and promptly made available to DYCD or its contracted CPA firms.

❖ Approach:

When allocating cost to a particular contract the following must be considered in determining an appropriate base for allocating costs:

- 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 ratio of the benefit each program received. All Providers must be aware 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 determine that's it allowable and reasonable based on the cost allocation method used. Unreasonable cost allocations will result in disallowed costs. See section eleven for further detail on audit requirements.

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

DYCD expects all funded Providers to be in compliance with the new requirements of the New York Not-for-Profit Corporation Law, as mandated by the Non-Profit Revitalization Act (the Act) signed into law in New York in 2013. Please note that compliance with the requirements of the Nonprofit Revitalization Act is subject to verification by DYCD staff and/or DYCD's contracted audit firms.

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

❖ Conflict of Interest

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

❖ Whistleblower Compliance Requirements

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

❖ Audit Requirement

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

Employees Personnel Files

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

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

Resigned Employees

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

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.**

Bank Accounts

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

[**EFT Enrollment Form**](#)

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 staff 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. DYCD is not permitted to reimburse a Provider for any expenses incurred for the provision of services until the contract is registered.

An initial advance equivalent to **two months** of the Provider's approved budget can be requested through HHS Accelerator Financials upon contract registration. (An advance is not available for WIA contracts.) If the contract term is less than four (4) 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, should 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 should be handled by different employees.
- Employees handling disbursements should not have duties related to cash receipts or the reconciliation of bank accounts.
- Vouchers payable should be established for each payment and recorded promptly.
- Payment should 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 should 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 should be developed to allow for proper accountability and segregation of duties in handling disbursements. A written description of these comparable procedures should 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:

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

SECTION FOUR

PURCHASING PROCEDURES

GENERAL PROCUREMENT POLICIES

Any procurement of goods and/or services is to be conducted in the Provider's name. The Provider is responsible for ordering, receiving, inspecting and accepting merchandise. The name of the Department of Youth and Community Development, its officials, employees, or the City of New York should 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 or its immediate affiliate. All expenditures must comply with applicable laws and contract regulations, and are subject to audit.

Purchasing Requirements/Competitive Bidding

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

1. Purchases of \$5,000 or less

For purchases with a value of \$5,000 or less, no competitive bids are required. Documentation of the purchase must be maintained by the Provider. This documentation must include the name of the vendor, the item purchased, the date and amount paid.

2. 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.

3. Purchases \$25,001 or greater

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

Sole Source Procurement

Purchases exceeding \$5,000 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)

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 should 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 should be attached.

SECTION FIVE

CREDIT/DEBIT CARDS POLICIES AND PROCEDURES

Policies and Procedures Credit/Debit Cards

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

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

entry to the credit account associated with the credit/debit card. A monthly reconciliation of the ATM transaction box and the credit/debit general ledger account must be performed.

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

The CFO or Comptroller should 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 should be regularly and timely reviewed and checked against supporting documentation.

SECTION SIX

PETTY CASH POLICY

A. Petty Cash Fund Use Establishment

To facilitate the payment of certain minimal charges that cannot be handled by check, Providers may establish a Petty Cash Fund for up to \$1,000. It is important to remember that items purchased with Petty Cash Funds are subject to the same regulations and accounting practices as expenses paid by check.

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

B. Petty Cash Fund Use

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

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

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

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

Examples of non-reimbursable expenses are:

- Personal expenses
- Alcoholic beverages for a staff party

SECTION SEVEN

GENERATED INCOME

OVERVIEW OF GENERATED INCOME

Income derived by a Provider as a result of resources paid for by the Department of Youth and Community Development funds 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:

- A separate bank account must be established;
- All bank documents, such as deposit slips, reconciliations, statements, canceled checks must be properly maintained on file;
- A separate cash receipts journal must be established to record cash receipts generated;
- 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);
- Supporting documentation for each disbursement recorded in the cash disbursement
- If appropriate, a general ledger must be maintained in order to summarize monthly transactions;
- A monthly trial balance must be taken; and
- 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 INVOICES AND PAYMENTS

HHS ACCELERATOR FINANCIALS INVOICE AND PAYMENT – OVERVIEW

Cash Flow

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

Once the contract is registered and there is an active (approved) budget, the Provider will receive notification from HHS Accelerator Financials. An initial advance equivalent to **two months** of the Provider’s active approved budget can be requested through HHS Accelerator Financials. If the contract budget term is less than four (4) months, the initial advance cannot exceed 50%. There is a process in HHS Accelerator Financials for requesting an advance. Please indicate “Initial Advance” on your request.

Instruction and guidelines for requesting and advances can be found:

<http://www1.nyc.gov/site/hhsaccelerator/help/guides-videos.page>

Request Advance

To request an advance please enter the advance amount and description and click the 'Request Advance' button to send the request.

* Indicates a required field

CT#:	CT106820160000054
Provider:	Training Provider 2
FiscalYear:	FY17
Advance Request Date:	04/25/2016
* Advance Amount Requested(\$):	25,000.00
* Advance Description:	Initial Advance

Cancel Request Advance

Initial advances will be recovered from your HHS Accelerator invoices during the last quarter of the operating budget period. The deduction will appear on the HHS Accelerator invoice under Advance Recoupment. This means that the Provider will only receive a payment 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 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 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.

Back up Documentations required:

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

Required Documents When Submitting Invoices:

1) **Salaries and Wages Justification Details**

The form will require details for Salaried, Hourly and Seasonal employees.

2) **Equipment Purchase Inventory Report**

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

Note:

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

General Instructions:

The HHS Accelerator Financials Invoices must be prepared on a cash basis. Expenses should 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 should 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 runs across a Fiscal Year. 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 30th). An example of this would be a payroll issued 07/15/16 with a payroll service period of 06/27/16 through 07/08/16. Only June 27, 28, 29 and 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 Financials

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

<http://www1.nyc.gov/site/hhsaccelerator/help/guides-videos.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. Quarterly reports are due as follows:

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

Annual Contract Budgets of \$10,000 or less

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

Costs Not Allowed on DYCD Contracts:

The following expenses are not allowed by DYCD:

- Expenditures for items neither budgeted nor allowable under DYCD Federal, State and City guidelines for Providers
- Purchase of land and buildings
- Taxes from which municipalities are exempt (Sales Tax, NYS Franchise Tax, Federal Unemployment Tax (FUTA))
- 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;
- Individual membership fees for clubs, professional or trade associations
- League franchise fees in the name of an individual
- Interest and penalty costs
- Activities for which a provider has already charged a fee to participants.
- Activities that are normally considered a part of the regular school day
- Activities of a commercial nature
- Expenditures for pre-paid payroll or consulting services. The date on the check (pay date) must be on or after the period of service
- Expenditure for fund raising activities
- 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
- Prizes other than inexpensive awards such as trophies, medals or ribbons
- Medical liability insurance and fire insurance on capital structures
- Security Deposits
- Bonuses
- Severance payment
- Tips and Gratuity

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

Payee Information Portal of the City of NY

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

Registered vendors can:

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

Sub- Contractor Reporting Requirement

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

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

Electronic Funds Transfer – EFT (Direct Deposit)

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

Benefits of Direct Deposit (“EFT”) Payments

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

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

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

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

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

Required Documents:

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

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

[EFT Enrollment Form](#)

SECTION NINE

YEAR END CLOSE OUT

YEAR END CLOSE OUT

Contract Term

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

Unpaid Bills-Advance

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

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 (60) sixty days after the end date of the budget operating period. Budgets ending June 30th have a deadline of August 31st.

Provider Refunds Due

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

Annual Close Out Notification and Financial Recap Form

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

It is extremely important for the Provider to verify and reconcile **all** program expenses related to the contract fiscal year with Invoices submitted through HHS Accelerator Financials.

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

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

Reconcile checks

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

Refund Due - Non-Responsive Notification

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

Recoupment Procedures

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

Close Out Procedures for Terminated Providers or Withdrawn Providers

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

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

SECTION TEN

CENTRAL INSURANCE PROGRAM (CIP) FOR PARTICIPATING PROVIDERS

CENTRAL INSURANCE PROGRAM (CIP)

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

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

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

General Liability Insurance

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

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

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

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

Workers' Compensation and Disability Insurance

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

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

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

Staff Changes made in contracts with CIP

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

Exclusions

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

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

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

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

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

SECTION ELEVEN

AUDIT

Reporting and Audit Requirements

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

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

Effective Dates	Level of Gross Revenues	CPA Audit or CPA Review
July 1, 2014 through June 30, 2017	Less than \$250,000	No CPA Audit or CPA Review required, but must file an unaudited financial report on form provided by the Attorney General
	At least \$250,000 but not more than \$500,000	CPA Review
	More than \$500,000	CPA Audit
July 1, 2017 through June 30, 2021	Less than \$250,000	No CPA Audit or CPA Review required, but must file an unaudited financial report on form provided by the Attorney General
	At least \$250,000 but not more than \$750,000	CPA Review
	The \$500,000 threshold increases to \$750,000	CPA Audit
July 21, 2021 and forward	The \$250,000 threshold remains constant	No CPA Audit or CPA Review required, but must file an unaudited financial report on form provided by the Attorney General
	At least \$250,000 but not more than \$750,000	CPA Review
	The \$750,000 threshold increases to \$1,000,000	CPA Audit

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

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

Contracts with DYCD Funding Greater Than \$75,000

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

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

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

Audit: Federal Requirements

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

Technical Assistance

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