

YMS MANAGEMENT ASSOCIATES, INC.
160 Broadway
New York, NY 10038

FISCAL MANUAL

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INTRODUCTION AND OVERVIEW

The Department of Youth and Community Development (DYCD) supports a variety of activities by awarding funds to the Community Based Organizations (CBOs).

The financial administration of a grant awarded to CBOs under contract with DYCD is determined by the size, scope, past performance and funding source for a CBO, in accordance with the general provisions of this Manual and fiscal procedures applicable to each funding class.

Direct Funded CBOs receive an advance payment and reimbursements based on expense reports (PERS) submitted to DYCD monthly.

Non-Direct Funded CBOs' grants are administered by YMS Management Associates, Inc. (YMS) acting as a Fiscal Agent.

CBOs do not receive any payments from DYCD and are not obligated to prepare monthly expense reports. Upon the registration of the CBO's contract with the City Comptroller's Office, the CBO's claims for funds will be reviewed and processed by YMS. Payments are forwarded directly to the CBO's vendors/ consultants and employees. Expense reports are prepared by YMS and forwarded to DYCD on a monthly basis.

Mandated Fiscal Agent Services

A CBO that had been found deficient or negligent in maintaining financial records, not submitting PERS, submitting PERS with continuous errors and not adhering to budget procedures will be mandated to use the Fiscal Agent services. In addition, a CBO that is rated poorly on the financial portion of the Vendex performance evaluation may be required to use Fiscal Agent services. A CBO mandated to use the services of the Fiscal Agent would be notified in writing by the Assistant Commissioner of Contract Agency Finance.

The Fiscal Manual outlines DYCD policies and procedures, which are to be adhered to by all organizations assigned to utilize Fiscal Agent's services.

SECTION ONE:

THE BUDGET

AND

WHAT IT COVERS

BUDGET OVERVIEW

A budget is a representation of the proposer's total offering price in terms of costs for conducting the Scope of Services. When a CBO is awarded funding, the budget is prepared on the basis of the contracted services, level of funding, and contract term.

A budget is categorized into three sections:

Personnel Services Categories:

- 1100 Salaries and Wages
- 1200 Fringe Benefits
- 1300 Fringe Benefits (Central Insurance Package)

Consultant/Contract Services/Sub-Contractors/Stipends

- 2100 Consultants/Contract Services
- 2200 Sub-Contractors
- 2300 Stipends

Other Than Personnel Services Categories:

- 3100 Consumable Supplies
- 3200 Equipment Purchases
- 3300 Equipment Other
- 3400 Space Rental
- 3500 Travel
- 3600 Utilities and Telephone
- 3700 Other Costs
- 3800 Van Maintenance
- 3900 Fiscal Agent Services

Each budget category is explained below. It is important that all of the costs are classified properly at the time of the proposal to avoid budget modifications during the operating period.

Note: In case of any doubts pertaining to classification of a particular expense CBO should contact Fiscal Agent's office.

THE BUDGET FACE SHEET (Page 1 of 4)

The Face Sheet of the Budget consists of the following:

TOP PORTION (Page 1): CBO Identifying Information:

- **Funding component:** Indicate the type of funding for this budget, i.e., YDDP, Tax Levy Discretionary, Runaway and Homeless, HEAP, Tax Levy Initiatives, Emergency Shelter, CSBG, CDBG, Boro Needs, Literacy, and Private Match.
- **DYCD ID No., Budget Code and Amendment No.:** This information is assigned by the Department of Youth and Community Development (DYCD) and will be on your Award Notice.
- **Indicate the official name of your CBO:** This is the agency's name, as it appears on incorporation papers, its address, telephone and fax numbers.
- **For Official Use Only:** This information is completed by DYCD only. This box reflects Program Operations and Contract Agency Finance Department (CAFD) approval of the budget. It also indicates whether a CBO's funds are administered through the Fiscal Agent. CAFD will determine whether a CBO cannot administer its own books and records. CBOs not meeting established criteria will be required to utilize the services of the Fiscal Agent or CBOs may independently request the services of the Fiscal Agent. (See Fee Schedule)
- **The Executive Director:** Name and the telephone number of the person responsible for the overall administration of the contract and the agency.
- **The Fiscal Officer:** Name and the telephone number of the person responsible for preparing the financial documents for this contract, i.e., the Comptroller, Bookkeeper and/or Accountant.
- **Federal Employer Identification Number (EIN):** Indicate your CBOs EIN (A copy of any official IRS document reflecting the Federal Employer Identification Number will be required before entering into a contract with your CBO).
- **Employer Registration Number (ERN):** This is the number appearing on all correspondence relating to State Unemployment Insurance. It is obtainable through the New York State Department of Labor.
- **Operating Period:** The period of time the budget will be effective. A separate budget must be submitted for each Fiscal Year from July 1, 20XX to June 30, 20XX (dates should coincide with the time frame in which the services are offered.)

- **In Kind Contribution:** The amount of funds or resources the CBO allocates to this contract from other funding sources or volunteers.
- **Total CBO Budget (all sources):** The amount of funding the CBO is receiving for the entire year from **ALL** funding streams.

LOWER PORTION (Page 1)

The lower portion of the budget face sheet is divided into three columns. The columns are: Total DYCD Budget, Program Administered and Centrally Administered.

TOTAL DYCD BUDGET: The total amount allocated to each budget category. The column reflects the grand total of the Program Administered and the Centrally Administered columns.

PROGRAM ADMINISTERED: The portion of the budget that is controlled by the CBO.

CENTRALLY ADMINISTERED: The items covered and paid by DYCD. **These are non-reimbursable items and the CBOs available funds from DYCD are reduced by this amount.** These amounts may include Fiscal Agent service fees, Van Maintenance, and the Central Insurance Program (CIP).

BUDGET SALARIES AND WAGE SUPPORT SHEET (PAGE 2 OF 4)

The Salary and Wage Support Sheet indicates the amount allocated for each employee for a given period. **The job function of any employee paid with Department of Youth and Community Development funds must directly relate to the contracted services. The wages earned under this grant must equal the time charged against the approved budget.**

The salaries are divided into two categories, full and part time employees. A full time employee works 35 hours or more per week on this grant. A part time employee works less than 35 hours per week.

Salary increases will be at the discretion of the CBO, as long as it is within the scope of services of the contracts and approved by the Program Department.

FRINGE BENEFITS

The maximum rate for fringe benefits is 30%. This rate includes all benefits under the Fringe Benefits category. Fringe Benefits include FICA, Unemployment Insurance, Workers Compensation, Disability and Medical Benefits. **A minimum rate of 7.65% is required for all contracts.**

If a CBO is paying Fringe Benefits (FICA, Unemployment Insurance, Workers Compensation and Disability) from another funding source, they must submit a letter on the CBO letterhead stating that they will be responsible for this cost.

All CBOs have the option of buying into DYCD's Insurance Package through the City's Central Insurance Program (CIP). This package includes General Liability Insurance, Special Accident, Workers Compensation, Disability and Property Insurance. This insurance does not include child or sexual abuse liability insurance.

The cost of the CIP- Basic Insurance Package is 4.5% of your total budget for each contract and each amendment thereafter. When you buy into the Central Insurance Program, it is for the full term of your contract. This insurance cannot be purchased for a portion of your contract term.

The General Liability policy provides coverage limited to 1 million dollars per occurrence for incidents that occur in connection with the program activities set forth in the CBO's contract with DYCD and the defense of claims or suits resulting from bodily injury suffered by program participants or members of the public, or from property damage (other than program property) caused by negligence of the program. This insurance does not include allegations of Child or Sexual Abuse.

The CBO must notify the Office of Legal Affairs of any incident or allegation of abuse of a program participant by any of the Contract's administrators or staff, including both – paid and volunteers. 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 the NYS Central Register of Child Abuse and Maltreatment.

Special Accident Insurance Policy covers verifiable medical expenditures for non-employees injured in the program, who are authorized to participate in the program activities set forth in the CBO's contract with DYCD. The policy will cover medical bills up to \$ 5,000. per incident and dental bills up to \$ 2,500. per incident for program participants.

Claims under the Special Accident Insurance arise out of the normal operations of a program. All injuries, however slight, to any program participant, volunteer, visitor, or others, must be reported on a DYCD Incident Report Form – before any medical bills are submitted.

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

Payment of medical and dental bills is processed during approximately three months after submission to DYCD.

Workers Compensation and Disability Insurance

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

Individual Enrollment Form should be submitted to DYCD's Fiscal Department for each staff member listed on the DYCD budget. Termination Roster has to be submitted for an employee who resigned or was terminated to remove such former employee's name from the Central Insurance Program.

Disability benefits to employees listed on CBO's DYCD budget are provided in a non-work related illness or injury causing disability.

Coverage is provided through the Citywide Central Insurance Program, therefore Form C-2 *Employers Report of Injury* and Form DB-40 for Disability benefits must be submitted to:

Central Insurance Program
220 Church Street
Room 321
New York, NY 10013

Equipment Insurance

Central Insurance Program covers equipment that is purchased or leased with DYCD funds. If such equipment is stolen or damaged through standard perils such as burglaries, vandalism, fire or floods, there is a \$ 500. deductible per loss.

Within the 20 days from the date of the incident a *DYCD Equipment Loss Form* must be completed, as well as a Police Report, and submitted to DYCD for processing.

If you choose not to buy into our Insurance Package, you will be responsible for providing DYCD with an original Certificate of General Liability Insurance during budget preparation, as well as any renewal certificates during the contract term.

- A CBO is required to purchase General Liability Insurance in the sum of not less than **one**

million dollars per occurrence to protect your CBO, DYCD and the City of New York against claims, losses, or damages.

- DYCD requires that your agency submit an **ORIGINAL** Certificate of Liability Insurance to our Risk Management Unit, 156 William Street, 6th floor. Your policy should include theft insurance to guard against loss of equipment as a result of a break-in or robbery. Such policy or policies of insurance **must** name the **Department of Youth and Community Development (including DYCD's address) and the City of New York as the Certificate Holder** and co-insured thereunder. This policy must be obtained from a company duly licensed to do business in the State of New York. In the event of cancellation, your CBO must notify the Risk Management Unit/CAFD within fifteen (15) days of cancellation.
- If the Liability Insurance Certificate that you submit to DYCD is not for the full operating period of your contract, it is the **CBO's responsibility** to submit a new one to DYCD when the original Certificate expires. **If the CBO fails to submit the new insurance certificate to DYCD within five (5) days after the date of the expiration of the former, the DYCD Risk Management Unit within CAFD will place such CBO on Check Hold and the funds will be frozen.** The Risk Management Director will generate a Check Hold letter advising the CBO that failure to maintain current insurance is a material breach of their contract as stated in the Fiscal Manual and your DYCD contract.

If DYCD does not receive a current Certificate of Insurance within the time permitted (**15 days from the date of the Check Hold letter**), the CBO will receive a warning letter stating that within **15 calendar days** DYCD will amend their budget and deduct the 4.5% for their **mandatory enrollment into CIP for the balance of the current Fiscal Year**. The amount will be prorated from the expiration date of the insurance certificate on file until the end of the current Fiscal Year or contract end date if prior to end of current Fiscal Year. Again, once the CBO is placed on mandatory enrollment in the CIP and the 4.5% is deducted from the CBOs budget, the coverage will be effective until the end of the contract period and cannot be cancelled before that time.

- Two (2) **Original Certificates of Insurance** must be delivered to DYCD for approval **prior to the effective date of your contract**. The policy effective and expiration date must be for the full operating period of your contract. (See Appendix)
- All other mandatory insurance policies must be made available for inspection by DYCD staff, Fiscal Agent Auditors or other authorized agents.

Helpful Hints

Employers FICA: This is to be budgeted at 7.65% of total salaries.

State Unemployment Insurance (SUI): This is to be budgeted at CBO's insurance rate for up to and including the first \$8,500 of an employee's salary paid during given calendar year. The SUI tax is mandatory for each employer, except for those excluded under the law.

Medical Benefits, Workers Compensation and Disability: This cost should be calculated based upon the CBO's policies.

CONSULTANT/OTHER - (Page 3 of 4)

2100

Consultant

A Consultant is an independent individual or entity with professional and/or technical skills retained to perform services, specific tasks or complete projects that cannot be conducted by program staff. A Consultant usually:

- a/ represents him/herself as self-employed
- b/ maintains his/her own book and records
- c/ has a place of business separate from that of the CBO

By the above definition, the CBO salaried employee cannot enter into a Consultant Agreement with its employer. Under no circumstances can a Consultant be hired in lieu of a staff person. If CBO believes a Consultant's services are required for an extended period, such an individual **must** be hired as an employee.

Contract Services: These are agreements entered into with a business entity to obtain a non-programmatic service(s) for a specific period or fixed length of time. Examples of a service agreement are data processing services and accounting services.

This category also includes Fiscal Conduit Agreement. This is a unique contract agreement, where the funds are administered by a Fiscal Conduit. This agreement has to be incorporated in the DYCD Contract.

2200

Sub Contract Agreements: These are required agreements with the DYCD funded

program to conduct services that assist in the achievement of program goals. The subcontracting agreement will be incorporated in the DYCD contract and will be registered with the NYC Comptroller's office. (See Appendix for Sub Contractor Agreement and Fiscal Conduit Agreement).

The CBO shall follow the purchasing procedures outlined in the general provisions of this Manual for the procurement of Consultant/ Contractor/ Subcontractor services. A formal written Agreement for each Consultant/Contractor/Subcontractor must be maintained on file at the CBO for at least six(6) years.

NOTE: Maintenance and repairs' costs are to be charged to different budget categories:

- maintenance/repairs of the office/programmatic equipment utilized in the performance of the CBO's operation are covered under Equipment Other category
- site maintenance costs are covered under Space Rental Other category.
- parts purchased for any maintenance/repair with no labor billed are covered under the Consumable Supplies category.

2300 **Stipends:** are an incentive allowance **ONLY** for the benefit of program participants or clients of the program – and not for the benefit of CBO employees.

Stipend payments may be included as a part of a training program, where the intent of the program is to assist a participant in acquiring the skills necessary to obtain employment and to subsequently retain employment.

A stipend may be for a nominal allowance and may be paid hourly, daily or weekly. A Stipend can be:

- Used to promote general client welfare and be given by a private not-for-profit organization
- offered by programs that provide classroom training and instructional services.

A Stipend cannot be:

- Used to displace an employee or position including partial displacement such as a reduction in hours and wages.
- Used to supplant the hiring of 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 force, or an employee who is on leave.
- Used to pay for services being performed for the agency
- Used to avoid payment of FICA, Unemployment Insurance or Workmen's Compensation Insurance.

Please note that Stipends are allowed for Beacons, YDDP and/or RHY contracts at the discretion of the Assistant Commissioner of Program Operations and based on a detailed justification of monies allocated, provided by the CBO.

Stipends for YDDP, Beacon and RHY contracts are at the discretion of the Assistant Commissioner of Program Operations and with the CBO providing a detailed justification of the monies allocated.

OTHER THAN PERSONNEL SERVICES (Page 4 of 4)

Other Than Personnel Services (OTPS) - OTPS relates to programmatic expenditures other than Salaries, Fringe Benefits or Consultant/Contractual Services.

The following is a description of the nine (9) non-personnel categories:

3100 Consumable Supplies

This category relates to the purchase of supplies that do not last or are not permanent in nature. Consumable supplies include office, program and/or maintenance supplies, i.e. pens, ink cartridges, stationery, binders, erasers, books, towels, cleaning fluids, etc. Also included in this category are parts purchased for repair/maintenance projects, if at the same time there is no labor charge.

Repairs/maintenance expenses including labor are covered under different category.

Note: purchases of a small equipment and software are not included in this category.

3200 Equipment Purchase

This category relates to the purchase of equipment that is durable or permanent in nature, i.e., furniture, typewriters, televisions, cameras, videocassette recorders, and computers. You are required to submit an itemized listing and description of each purchase (serial & model number) over \$200. An inventory record for such purchases has to be maintained by the CBO.

Equipment costing less than \$200 must also be placed under Equipment Purchases, not consumable supplies.

All equipment and/or furniture purchased with DYCD funds at a per-unit cost exceeding \$200 are the property of the DYCD and must be appropriately tagged as such.

If your CBO is terminated or if your contract is not renewed, all non-depreciated equipment that still has a useful life and was purchased with DYCD funds must be returned.

All CBOs are required to purchase Equipment Insurance with a company licensed to do business in the State of New York. (For CBOs covered through the Central

Insurance Program refer to Section 10 of this Manual.) Your CBO must be covered for the loss due to burglaries, vandalism, fire or floods that affect equipment or furniture that is leased or purchased with DYCD funds. In the event that your CBO's equipment is lost or stolen, you must secure a police report detailing the nature of the incident as well as submit a claim to your insurance carrier. In addition, your CBO must also submit an official report to DYCD. It is your CBO's responsibility to replace the lost or stolen equipment with the funds secured from the settlement of the claim.

3300 **Equipment--Other**

This category includes the rental, lease, licensing fees, computer software, repair and maintenance of office/programmatic equipment utilized in the performance of the CBO's operation.

Equipment/furniture leased with an option to buy may also become the property of the DYCD in the event of the program's termination. DYCD will, however, consider requests for continued use or other recommended disposition of such equipment, upon termination or non-renewal of a contract. Please contact your program's Account Executive at DYCD regarding continued use or other disposition of equipment.

3400 **Space Rental**

This category is separated into two subcategories:

3410 **Public School**

This subcategory relates to opening fees and room rentals paid to the Board of Education for school premises' rental costs. Rental from schools that is payable to these schools is not included in this subcategory.

3420 **Rent Other**

This subcategory relates to all other rent paid for sites utilized by the program. It also includes all related charges associated with the use of the site such as **minor** repairs and site maintenance costs.

No renovation or construction projects can be budgeted or paid for with DYCD program funds.

You are required to submit a copy of your lease and/or month-to-month rental agreement at the time of the budget submission, as well as a **Space Rental - Cost Allocation Plan with the budget. This form shows DYCD's portion of your rental fees.**

If a CBO owns the building, submit a breakdown on Maintenance Allocation.

3500 **Travel**

This cost relates to local travel (i.e. bus and subway fares) by the employees, and in some instances participants, of the agency to conduct official business pursuant to the

DYCD grant. Included in this category are expenditures for a vehicle owned or leased by the CBO whose use is deemed necessary to conduct the DYCD funded program. Also included in this category are expenditures for personal automobile use for agency related business. Costs for the use of a personal automobile will be reimbursed at a maximum rate of 35 cents per mile plus tolls. A Mileage Log must be maintained for both personal and business owned vehicles used to conduct agency business related to the funded program.

Traffic and/or vehicle violations are not a legitimate expense and, therefore, will not be budgeted nor paid for with program funds.

All participant-related travel expenses, i.e., bus trips and local travels, are to be budgeted under this category. Bus companies must be insured.

CBOs should charge to this account, expenses for business owned vehicles such as car maintenance, gasoline, tolls and insurance. CBO owned vehicles used for DYCD purposes must be co-insured with the City of New York as named beneficiary.

3600 Utilities and Telephone

This category reflects telephone and utility costs, including cable TV. Costs should be pro-rated over the operating period.

Costs of the internet use are not applicable to this category.

3700 Other Costs

Effective FY' 04 this category is separated into two subcategories:

3710 Other Costs

This category includes all other operating costs i.e., printing, postage, admissions, accommodation, publications, bank service fees (excluding punitive charges), subscriptions costs, internet fees and internet wiring, audit fees. In some instances late fees on periodical automated billing (i.e. utilities, telephone, leasing, etc.) are paid against this category upon DYCD approval. There are no late fees acceptable for small local vendors.

This category also includes costs of the general liability insurance for CBOs that did not purchase the Central Insurance Program.

Also included are participant costs; costs associated with or for the benefit of program participants, such as: refreshments, entrance fees, awards, t-shirts, uniforms, basketballs, baseballs, hockey sticks, bats, gloves, etc.

3720 Indirect Cost – effective FY' 04

The purpose of Indirect Cost is to capture overhead costs incurred by a CBO in operating it's programs. This rate is meant for CBOs that operate several programs and whose administrative costs cannot be distributed in a reasonable, practical

fashion among several operations, either as direct service costs or program-wide administrative costs. CBOs with multiple government contracts or programs with mixed funding are most likely candidates for indirect costs.

Indirect Cost requires special approval by the Assistant Commissioner of Contract Agency Finance. A letter requesting such an approval is required with analysis and the percentage you are requesting.

The maximum allowable rate is 10%. Reimbursement of indirect cost will be based on the percentage of submitted expenditures.

3800

Van Maintenance

If your CBO is assigned a city-owned van, the DYCD will provide maintenance through the Department of Citywide Administrative Services. A total of \$2,000 will automatically be deducted from your contract for van maintenance. This cost is a centrally administered cost and is not reimbursable.

3900

Fiscal Agent Services

All CBOs now have the option of buying the accounting services from the Fiscal Agent. The following is a brief description of the types of services offered by the Fiscal Agent.

- Establish financial records
- Provide payroll services and personnel reporting
- Ensure the timely payment of employment related taxes
- Prepare and file of withholding tax reports (Form 941, NYS-1 and NYS-45)
- Prepare and file of Forms W2 and 1099
- Verify invoices and process payments to the vendors
- Maintain and report on available CBO budget balance
- Ensure that all the financial records and procedures are in accordance with generally accepted accounting practices.

A CBO that chooses to be placed under or is mandated to utilize the services of the Fiscal Agent must have all of its 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 due to poor fiscal performance (less than a Satisfactory “S” rating) would receive written notification to this effect from DYCD.

BUDGET MODIFICATION POLICIES AND PROCEDURES

A revision to the approved budget may be accepted only if it relates directly to the accomplishment of services specified in the contract.

CBO seeking budgetary and/or programmatic changes in their budget should complete Request for Modification Form and a Budget and/or Program

Modification Form..

These forms must be submitted to the assigned DYCD Account Executive in Program Operations two weeks prior to their proposed effective date. Modifications are subject to approval by DYCD Program Operations, the Budget Review Unit and Fiscal Department. The effective date is the first day of the month.

The number of Budget Modifications is limited, according to the length of the contract. As such, CBOs must plan their programs and budgets carefully. Budget modifications may only be requested accordingly to the following schedule:

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

Budget modifications cannot be requested during the first or last month of the Fiscal Year.

The last day for Modifications to be submitted is May 31st of the Fiscal Year.

Please note: CBOs whose contracts were registered late are exempt from the above deadline.

SECTION TWO
GENERAL PROCEDURES

BANK ACCOUNT

CBOs using Fiscal Agent services are not required to establish a bank account for the DYCD grant, as CBO does not receive any payments from DYCD and all the CBO expenses should be paid by a Fiscal Agent directly to the CBO's vendors.

If, however, a CBO already has a bank account or decides to establish it anyway, expenses related to maintaining such account (i.e. bank fees) are not covered under DYCD budget.

PURCHASING PROCEDURES

Any purchasing (procurement) of goods and services is to be conducted in the name of the CBO. The CBO alone is responsible for ordering, receiving, inspecting and acceptance of merchandise and/or services. **Moreover, 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 or services from any vendor.** Accordingly, invoices, bills, receipts, etc. must be issued in the name and address of the CBO.

The following general guidelines must be adhered to for purchasing goods and/or services:

1. The CBO must have a budget that is approved by CAFD.
2. The approved budget **must contain the appropriate category that corresponds to the item(s) to be purchased.**
3. There must be sufficient funds available in the budget category to accommodate the purchase.
4. The expenditure must occur within the same budget period that the goods and/or services involved are received/delivered.
5. The expenditure must be necessary to support the CBOs objectives as detailed in the contract.

PURCHASING REQUIREMENTS/COMPETITIVE BIDDING

The procurement of goods shall be governed by the competitive bidding requirements delineated herein. The purpose of the competitive bidding requirements is to establish a procedure likely to secure the best possible price for goods and services while allowing for appropriate competition. To insure the desired results, the procurement process must be both open and competitive. Open and competitive means that no vendor qualified to provide the good/services may be restricted from bidding and that there is fair competition among those bidders for the work.

1. Purchases for \$ 2,500. or less

No competitive bids are required for purchases whose value is \$ 2,500. or less. CBO shall ensure that the non-competitive price is reasonable.

2. Purchases in excess of \$2,500 but not exceeding \$25,000

A minimum of five (5) written bids must be secured for the purchase of goods of **like items whose cost can reasonably be expected not to exceed \$25,000.**

4. Purchases in excess of \$25,000

A public solicitation of a minimum of five (5) sealed bids must be conducted for purchases of goods of **like items whose cost can reasonably be expected to exceed \$25,000.** These procedures shall apply to the rental or leasing of equipment as well. **A CBO may structure formal bidding using the procedure set forth herein required for all purchases in excess of \$25,000.**

The CBO must publicly solicit a minimum of five (5) sealed bids from responsible bidders offering such commodities or services. Specifications must be developed and provided to all potential bidders in writing. The criteria to be used in determining the acceptability of bids should be contained in the specification. Bids may be solicited in one of the following ways:

Note: The amounts stated represent the total invoice amount, not the item price.

Method A

A notice to bidders may be published in a generally circulated daily newspaper at a reasonable time prior to the due date of the bids. The notification should appear for a minimum of three (3) business days.

The notice to bidders should contain a general description of the goods or services for which bids are being solicited, a description of how and where specifications may be obtained, the closing date for acceptance of bids, and the date, place and time of the opening of bids. The bids must be opened at the place and on the date and time in the notice. **The process of opening bids is public. Accordingly, vendors may not be excluded from the bid opening.**

Method B

A CBO may elect to establish a list of qualified firms from which bids may be

solicited. To establish this list, publication of a notice in a widely circulated newspaper is required. This notice is not a solicitation for bids. Such notice shall contain a general description of the goods and services that the CBO may wish to obtain. Respondents to the notice should indicate their capability to provide the goods and services and their willingness to subsequently submit bids in response to a future solicitation.

The list must be constantly updated to ensure competition. The CBO can solicit bids from the qualified bidders on the list by mailing them invitations to bid. The invitation to bid must include all relevant specifications, the due date for submission and the date, place and time of the bid opening. The bids must be opened at the place and on the date and time specified.

1. The CBO must document the process followed in its selection of the most responsible lowest bidder and upon request, submit the same to the Department of Youth and Community Development. The criteria for selection of the most responsible lowest bidder should include at least the following:
 - A. Meeting or exceeding the bid specifications;
 - B. Price;
 - C. Reliability of bidder;
 - D. Net 30 days, unless discount is given; and,
 - E. Availability of Goods and Time Frame for Delivery
2. The CBO shall make every reasonable effort to obtain competition before the purchase of commodities or services. The CBO **must** document any situation where reasonable competition is not available.

Each CBO shall affix an **inventory control decal** on all inventories purchased with Department of Youth and Community Development program funds.

C. RELINQUISHMENT OF EQUIPMENT

If the CBO is terminated or if your contract is not renewed, all equipment that still has a useful life, purchased with DYCD funds remains the property of the City of New York and must be returned. Please contact the **Account Executive** assigned to your program regarding the disposition of your CBO's equipment. If the DYCD Account Executive and the CBO together, deem that the equipment is fully depreciated and has no further useful value, a CBO must make arrangements to dispose of the equipment at DCAS' Salvage Warehouse.

The Salvage Warehouse is located at 11 Water Street in Brooklyn, New York. In this effort, a Relinquishment form must be completed. Original Relinquishment Forms (#23-S-154, See Appendix for a sample of the form) must be obtained from the DYCD's Office of Administrative

Services located at 156 William Street, 3rd floor - (212) 676-8155 or (212) 442-5963. These items include computers, vehicles, furniture and equipment. Black and White monitors are not accepted by DCAS Salvage.

The Relinquishment Form must be completed describing the items to be salvaged. This description includes the type, serial and model numbers for all equipment and/or vehicles. Please note, the Relinquishing Agency's Name and Address, should be the Department of Youth and Community Development, 156 William Street, New York, New York 10038. **Do Not Sign the Form.**

Forward the Form to the DYCD, Office of Administrative Services. DYCD will process the form and send a copy to your office. Upon receipt of your copy of the relinquishment form, your CBO must then contact DYCD's Office of Administration Services to schedule delivery of your equipment and/or furniture to the Salvage Warehouse. **The CBO is solely responsible for the delivery of equipment to DCAS Salvage Warehouse.** Thirty- (30) days notice is needed on the relinquishment of any equipment/furniture to DCAS Salvage.

PETTY CASH FUND

To facilitate the payment of certain minimal charges that cannot be handled by check, CBOs may establish a Petty Cash Fund of up to \$200 per contract. A Petty Cash Fund Request form should be submitted to Fiscal Agent for processing.

It is important to remember that items purchased with Petty Cash Fund are subject to the same regulations and accounting practices as are expenses paid by check.

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

Examples of reimbursable Petty Cash Expenses are:

- local travel by public transportation
- programmatic supplies
- food
- postage – not exceeding 100 stamps per purchase

Note: A Petty Cash expense may not exceed \$ 100. per purchase.

DISALLOWANCES

The following are the types of expenses that are not allowable under DYCD or State guidelines:

- Purchase of land and buildings
- Taxes from which municipalities are exempt (NYS Sales Tax and Franchise Tax, Federal Unemployment Tax)
- 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 the 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.
- Personal membership fees in clubs or professional CBOs and associations.
- League franchise fees.
- Salaries of personnel discharging law enforcement responsibilities, except juvenile aid officers approved by the State Office of Children and Family Services, or salaries of an employee who lacks the qualification for the work, or who after a trial period is considered by the Office of Children and Family Services to be able to do satisfactory work.
- Interest and penalty costs. Late fee charges on periodical automated billing might be paid from Others Costs category.
- Activities for which a fee is charged which could tend to exclude children from participating.
- Activities that are normally considered a part of the regular school curriculum.
- Activities of a commercial nature.
- Expenditures for pre-paid payroll or consulting services. The date on the check 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 exeptions 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, metals or ribbons.
- Medical liability insurance and fire insurance on capital structures.
- Security Deposits.

YEAR END CLOSE OUT

The CBO must receive goods and services by the last day of the contract 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 in that period. Any expenditures made for goods and services which are received after the last day of the contract period, even if authorized in that contract period's budget, **will NOT be accepted by DYCD as an authorized expenditure for given Fiscal Year.**

DEADLINE FOR SUBMISSION

The deadline for FINAL bills, receipts and/or reimbursement claims is **no later than (60) sixty days** after the end date of the budget. Budget periods with an end date of June 30, XXXX have a deadline of August 31, XXXX. **Failure to meet this deadline will result in the rejection and disallowance of all expenses accounted for in the late submission.**

The same due date pertains to any documents and /or information supporting expenses already processed by Fiscal Agent (i.e. original, signed invoices for goods purchased on the quote, serial numbers of equipment items, etc.). Failure in submission of supporting documents will result in the charging CBO for the expenses not completely documented.

FISCAL MONITORS/AUDITORS

A DYCD internal auditor or designee will visit CBOs. All books and records pertaining to DYCD funds must be made available for their inspection and review. Failure to schedule visits or failure to provide access to records upon request will be grounds to place your CBO on **check hold** and may jeopardize your continued funding.

SECTION THREE:

YMS MANAGEMENT AS FISCAL AGENT

A. GENERAL PART

The Beginning

A budget approved by DYCD is a basic document for establishing or updating the CBO's data records.

Once the budget is received, YMS Management will send to a CBO an introductory letter along with a Signature Authorization form to be completed. YMS Management will then establish and maintain separate accounting and related records for each grant received by a CBO from DYCD.

Accounting records are maintained on the Fiscal Year basis and in accordance with generally accepted accounting procedures and DYCD policies and procedures. Financial Statements are available to CBO at any time upon request.

Bank Account

As required by DYCD, YMS maintains separate bank accounts by funding source. YMS receives the advance and/or reimbursement checks from DYCD and deposits and disburses funds through these accounts. Revenue and expenses are reconciled with DYCD records on the monthly basis.

Cash Flow

The Fiscal Agent receives funds from DYCD based on the approved budget and upon registration of the CBO contract. CBO does not receive any advance payments or reimbursements from DYCD.

All invoices presented by the CBO for payment are processed once the contract is registered and when payment from DYCD has been received.

Reporting

YMS is preparing and forwarding to DYCD monthly expense reports (PERS) for each grant, therefore the CBOs don't have to do any expenses reports related to the DYCD funds.

CBOs are responsible, however, for providing DYCD with all the required programmatic activities reports.

Auditing and Control

The Fiscal Agent has established an internal control structure. The objective of internal control is to provide management with reasonable assurances that transactions are executed in accordance with management's authorization and recorded properly.

The Fiscal Agent's books and records, as well as all documentation submitted by the CBO, are audited yearly by DYCD contracted independent Certified Accountants.

B. PAYROLL POLICIES AND PROCEDURES

General Policy

CBO employees are paid in accordance with the approved and registered budget. In order to be entered into the centralized payroll system, a CBO must submit official documentation verifying its Federal Employer (EIN) and State Unemployment Insurance (SUI) identification numbers. Proof of SUI and EIN numbers must be submitted in the form of an IRS Notice of Federal Employer Identification number and a New York State Notice of State Unemployment rate. If the CBO is claiming exemption from federal unemployment tax under Section 501c(3), official documentation indicating CBOs' status must be submitted to YMS.

Additionally, a Power of Attorney for tax filing representation, along with CBO signature authorization and payroll pick - up authorization forms must be submitted. As per IRS policy, Power Of Attorney has to be renewed every 3 years.

Hiring a new employee

Before a CBO can hire an employee, it must verify that an available line exists in its approved budget. Upon hiring an employee, the CBO must submit to YMS the following completed documents:

- **Personnel Action Form (PA1)** – The Personnel Action Form must be signed and dated by the employee and the Director or Chairman. When a Director is hired, the Chairperson must sign the Personnel Action Form. In addition, the minutes of the Board Meeting during which the hiring of the Director was approved must be submitted.
- **W-4 Form** – Employee's Withholding Allowance Certificate – If an employee is claiming student exemption, he/she must submit proof of his/her status as a student. An acceptable form of proof would be a current Bursar's receipt.
- **NYS New Hire Notification (Form PA2)**
- **Central Insurance Program Enrollment Form-** A completed Central Insurance Program enrollment form must be in accordance with the fringe benefits policy.

When filing a new employee on a previously occupied personnel line, a CBO must ensure that the approved accrued annual leave has been liquidated prior to hiring a new employee. To accomplish that, the CBO must obtain from YMS the accrued annual leave time of the previous employee and the date the line will be available for hiring.

Terminations or Resignations

When an employee is terminated, a Termination Directive must be completed and submitted to YMS. The reason(s) for the termination must be stated on the form.

If an employee resigns, the original resignation letter and a Termination Directive Form must be submitted to YMS.

Employee Time Sheets

Time sheets must be submitted to YMS on the designated submission day (Thursday) or no later than 12:00 PM on the day immediately following the designated submission day.

Failure to comply with the submission deadline will delay the paycheck for the affected employees until the date of the following payment.

The time sheet must be fully completed and signed by the employee and by the designated Director or Chairperson. The time sheets are to be assembled by each CBO and submitted with a **Transmittal Form**. This transmittal form should also indicate if any Terminations or Personnel Action Forms are being submitted.

In the event a time sheet is received with incomplete or incorrect information, the Payroll Supervisor will contact the CBO Director. A paycheck may be prepared and held until the revised time sheet is submitted.

The Payroll Office will supply the CBO with blank payroll forms, blank timesheets, a payroll schedule list, a holiday list, vacation/sick time balances, copies of payroll earnings and payroll budget line by line reports, as required and/or when requested.

The CBO is required to clock - in all forms being submitted to YMS. For convenience, a time clock is located the front entrance to YMS's office.

Payroll Processing Cycle

Payroll is processed bi - weekly. When YMS receives time sheets from the CBO, they are reviewed to ensure that they contain the proper signatures and that the total hours worked is a sum of the detail hours. All employee forms are also reviewed for completeness and accuracy. Processing is performed on new hires, terminations, rate changes, hours to be paid, and personal information. Updates to the payroll personnel master files will occur before each payroll cycle begins.

Payroll checks are available one week after the payroll ending date, as indicated on the payroll schedule.

Payroll Distribution

Checks, registers and new time sheets for the following pay period are in a package by CBO number. YMS distributes the checks and requires that persons picking up checks are on the payroll authorization received from the agency for verification purposes. Checks not picked up on the designated day are returned to the safe. A CBO can pick up checks during regular business hours following the above guidelines.

Additional Payroll Cycle

Individual payroll cycles are generated for replacement checks and retroactive pays as appropriate.

Stop Payment

If a stop payment is requested by the CBO, it is processed electronically. The stop payment

confirmation is received from the bank generally within a week. If a check is to be replaced, the replacement check will be ready 10 days after the stop payment was requested.

Payroll Deductions

When execution orders are received for garnishments, family support, levies, union dues or any other type of miscellaneous deductions, it must be submitted to YMS for processing. The execution orders are filed in the employee's personnel folder. The amount required will be automatically deducted from the employee's payroll check on a biweekly basis until the execution order is properly satisfied.

Miscellaneous Forms

The Payroll Department is called upon to complete a variety of forms from government and private institutions. These include housing forms, social security inquiries, employment verifications, etc. A copy of each form is kept with the employee's records.

Withholding Tax Deposits

YMS makes deposits of withheld taxes within 3 business days following the payroll distribution date:

- Federal deposits are forwarded to IRS electronically, along with the schedule indicating payment for each taxpayer
- State and City deposits are paid by YMS's check and forwarded to NYS Department of Taxation along with the applicable Forms NYS-1-MN indicating a liability for each taxpayer.

Tax Reports:

YMS generates enumerated tax reports for each taxpayer, based on the records indicating payroll processed by YMS:

- | | |
|----------------------------------|--------------------|
| • Federal Form 941 A&B | prepared quarterly |
| • State Form NYS-45 & NYS-45-ATT | prepared quarterly |
| • Form W-2 and W-3 | prepared yearly |
| • Form 1099 and 1096 | prepared yearly |

To determine YMS or CBO responsibility for the tax reporting and payments, CBO needs to complete "Taxpayer Status" form and indicate, whether a CBO is Single or Multi-Funded (with regard to payroll).

Single-Funded CBO

CBO that has salaries and wages paid only through the DYCD grant managed by YMS is considered Single-Funded.

Quarterly and annual withholding tax reports are completed by YMS and filed with IRS, NYS Department of Taxation and Social Security Administration. YMS is also handling all inquiries

pertaining to these tax reports and tax payments.

Individual Forms W-2 are forwarded to the CBO for distribution among its employees. CBO retains a set of copies.

Individual Forms 1099 and 1096 for Single-Funded CBO are also completed and filed with IRS and sent to the individual taxpayers. Copies are forwarded to CBO.

Multi-funded CBO

CBO that has salaries and wages paid through the DYCD grant managed by YMS AND through any other payroll service is considered Multi-Funded.

YMS prepares partial quarterly tax reports and marks these reports as “incomplete “. Information on these partial reports reflects only payroll and related taxes processed by YMS. CBO is responsible for completion of the consolidated tax reports and filing these with the authorities. CBO is also responsible for total tax payments and for handling any tax related inquiries.

Originals of forms W-2, W-3, 1099 and 1096 along with the individual forms are forwarded to CBO for filing with the authorities and distribution of the individual forms. CBO retains a set of copies.

Due to the non-profit status 501c(3) determination, all CBOs are exempt from Federal, State, City and FUTA Business taxes, but are held responsible for any penalty & interest assessed due to a late tax filing and/or payment.

Time and Leave Policy

Each recipient of a DYCD grant is considered a separate and autonomous entity governing it’s own affairs. Consequently, employees are within the employment of the CBO only, and CBO alone is responsible for their work, direction and compensation. Accordingly, the CBO is liable for any obligation incurred in connection with the suspension or termination of any of its employees.

This policy sets forth the maximum time and leave permitted to be charged by a CBO for its employees, whose salaries are budgeted in its contract with DYCD.

Annual Leave Time

Full time employees (who work 35 budgeted hours or more per week) who were hired prior to October 1, 1986 shall accrue 1-2/3 days per month for annual leave for a total of 20 days per year.

Full-time employees hired on or after October 1, 1986 shall accrued annual leave as follows:

<u>Years In Services</u>	<u>Annual Leave</u>	<u>Monthly Accrual</u>
At the beginning of the employee’s 1 st year	10 work days	1 day per month after the first 2 months
At the beginning of the employee’s 2 nd year	13 work days	1 day per month plus 1 additional day at the end of the 2 nd year

At the beginning of the Employee's 3 rd year	13 work days	1 day per month plus 1 additional day at the end of the 3 rd year
At the beginning of the Employee's 4 th year	15 work days	1 1/4 days per month
At the beginning of the Employee's 5 th year	20 work days	1 2/3 days per month

Annual leave for part-time employees shall be accrued on a prorated basis in proportion to the scheduled number of hours worked.

Holidays

The following are the Legal Holidays officially observed:

- | | |
|-------------------------------|------------------|
| New Years Day | Columbus Day |
| Martin Luther King's Birthday | Election Day |
| President's Day | Veterans Day |
| Memorial Day | Thanksgiving Day |
| Independence Day | Christmas Day |
| Labor Day | |

Sick Leave

Full-time employees shall accrue one day per month for sick leave for a total of 12 days per year. Sick leave for part-time employees shall be accrued on a prorated basis in proportion to the scheduled number of hours worked.

Sick leave can be used only for an employee's own illness. The CBO's authorized representative or designee may at any time require an employee to provide a doctor's note documenting illness. However, medical documentation is **mandatory** when sick leave exceeds **three** consecutive days.

Compensatory Time

Compensatory Time is defined as time worked in excess of budgeted hours. One hour of compensatory time is earned for every hour of authorized overtime worked. All duly approved overtime earned shall be liquidated in the form of compensated time only.

Executive employees shall not receive compensatory time. Executive employees are defined under the following titles:

Executive Director

Deputy Director
Associate Director
Assistant Director
Program Director
Program Coordinator

The Department of State/Division of Economic Opportunity, which is presently administering Grant Funds, has mandated that annual leave or compensatory time balances may not be carried from one fiscal year to another. Consequently, annual leave and compensatory time earned during a program year must be exhausted by the end of the budget period. Unused balances of sick leave may be carried into successive program years. However, there is no compensation for unused sick leave.

Maternity Leave

Both full-time and part-time employees are eligible for paid maternity leave disability under the Fringe Benefits package for a period of not longer than six (6) weeks. Up to 6 weeks are payable upon medical proof of complications.

The employee and doctor must complete a “Notice and Proof of Claim for Disability Benefits” Form and submit to the Fiscal Agent in order to apply for disability benefits. Disability benefits commence after the employee has exhausted all accrued sick leave time or on the seventh day after the disability began, whichever is the longest period of time.

The employee cannot be terminated while on the first six weeks of disability maternity leave and is entitled to all the benefits eligible for. The employee may extend maternity leave longer than the six weeks if it is mutually agreeable to the CBO Director. However, the employee will not be entitled to receive benefits.

Disability

Both full-time and part-time employees are eligible for paid Disability Insurance under the Fringe Benefits package up to a period of twenty-six (26) weeks. The employee and his/her doctor must complete a “Notice and Proof of Claim for Disability Benefits” form and submit the same to the Fiscal Agent in order to apply for disability benefits.

Disability benefits commence after the employee has exhausted all his/her accrued sick leave time or on the seventh day after the disability benefits began, whichever is the longest period of time.

Death in the Family

Absence shall be excusable without charge to sick leave or annual leave balances, not to exceed four (4) workdays, in the case of death in the immediate family. Immediate family shall be defined for this purpose as spouse, natural, foster, or step parent, child, brother or sister; father-in-law; mother-in-law, or any relative including relative-in-law residing in the household of the

employee. Documentation is required under this category.

The four days should immediately follow the death. If two deaths occur within the four-day absence, the new four-day will run concurrently with the first.

C. CONSULTANTS/ CONTRACTORS/CONDUITS/SUBCONTRACTORS/ STIPENDS

1. CONSULTANTS

To hire a Consultant a CBO must have the appropriate funds allocated in the DYCD approved budget. A CBO and a Consultant should enter into an agreement indicating a scope of services, period and a rate of pay. Upon signing such agreement, a Consultant provides services to CBO and documents the time used by completing the time-sheets, that are subject to Executive Director's approval.

An agreement and time-sheets should be submitted to YMS for payment processing.

For non-recurrent (one-time or occasional services) YMS will accept an invoice issued by a Consultant to the CBO and signed by a Consultant. Such invoice should be approved by CBO Executive Director and submitted to YMS for payment processing.

Under no circumstances CBO should pay a Consultant without any of the above-mentioned documents. Such payments done by CBO check or cash will not be accepted as a proof of the transaction and will not be reimbursed to CBO.

Note: If CBO believes a Consultant's services are required for an extended period, such an individual must be hired as an employee.

2. CONTRACTORS/ CONDUITS

Non-programmatic services contracted from another business entity might be documented by a Contract describing the scope of services, period and a rate of pay and an invoice approved by Executive Director.

For non-recurrent (one-time or occasional services) YMS will accept an invoice alone, issued by a Contractor to the CBO and signed by a Contractor. Such invoice should be approved by CBO Executive Director and submitted to YMS for payment processing.

CONDUIT AGREEMENT is incorporated in the DYCD contract and should be enclosed with DYCD budget.

Payments to the Conduit should be based on its budget and invoices approved by CBO Executive Director.

3. SUBCONTRACTOR

When another business entity assists CBO in achieving the programmatic goals, the Subcontractor Agreement should be signed. Subcontractor should issue an invoice to the CBO name, subject to

C. OTHER THAN PERSONNEL SERVICES (OTPS)

Payments to Vendors

All invoices are time stamped with the YMS clock to document the date of receipt. Verification of each invoice includes but is not limited to:

1. Invoice must be issued to the CBO's name and address. It has to be a dated **original** and conform to DYCD guidelines. This includes supporting documentation (e.g. bids).
2. Invoice must be authorized for payment by the original signature of the CBO Director or Chairperson.
3. Invoice must include a clear description of the item purchased in order to assure a correct qualification of the expenditure to the particular budget category.
4. The total due amount must be mathematically correct. Only a **current charge** is eligible for payment. Any balance due from previous months has to be supported by original bills for that period.
5. A valid Lease Agreement signed by the landlord and the CBO Director is necessary for processing the recurrent rent payments. If the landlord requests a security deposit, a lease agreement should indicate such request. Security deposits must be recouped at the end of each Fiscal Year.
6. CBO with more than one DYCD program shall instruct YMS on how to charge particular programs with the payments processed.

All OTPS payments are mailed out directly to the vendors, unless CBO requests otherwise by indicating it on the invoice.

Please note, that some payments to the vendors are based on the order forms or quotations. An original invoice has to be submitted to YMS upon receiving goods or services by the CBO. To avoid duplicate payments, such invoice shall be marked by the CBO as "**Processed**".

Certified Checks

A certified check will be issued upon a written request from the CBO. All certified checks must be picked up at the YMS office by an authorized CBO representative. Upon completing the transaction, an invoice or receipt must be submitted to YMS.

DIRECT REIMBURSEMENT TO THE CBO FOR EXPENSES ALREADY PAID

It is a General Policy that all expenses payable from DYCD grant should be processed by YMS and distributed to payroll recipients and OTPS vendors. There are few exceptions to that policy:

- CBO began its program earlier than the contract had been registered with the City Comptroller's Office. To operate without an interruption, it was necessary for CBO to pre-pay certain expenses toward the grant's budget.
- CBO is a multi-funded organization that uses its own payroll service for the entire agency. It is understood that changing payroll service just for the DYCD grant would be against a CBO's interest and would complicate preparation of its tax returns.
- CBO paid for its expenses with a business credit card or charged the purchases to a credit account with a vendor.
- CBO paid for Petty Cash expenses.

Direct Reimbursement is made to the CBO's name and is processed based on the very same documents that are required for processing payments to employees and/or vendors. Additionally, since a reimbursement is a refund of CBO's money, each transaction has to be documented as paid by a CBO.

For reimbursement of Salaries and Wages paid through CBO's payroll service, in addition to all the documents listed on p. 25&26 a payroll check register must be submitted (or copies of cancelled checks).

Fringes can be reimbursed only for the salaried employees of the DYCD program. FICA tax, Unemployment Insurance Tax, Disability and Worker's Compensation contributions must be proved as paid by copies of the appropriate cancelled checks and a document indicating a calculation of these costs. It can be a spreadsheet, payroll service register or a copy of the tax return.

Any Insurance payments require a submission of the policy indicating period and amount of the particular insurance or the appropriate invoice. A copy of the cancelled check is required.

Any OTPS payments and Consultants/Contractors/Stipends have to be supported by a proof of payment and documents described on p. 31 & 32.

Payments done by CBO's credit card or charged to a credit account with a vendor and not yet refunded by CBO to a credit card or to a vendor are treated as a CBO liability. Based on the appropriate Statement, YMS will process payments to the credit card and to the vendor's charge account directly.

If a CBO already paid a credit card or the vendor's charge account, a copy of the cancelled check is required.

NOTE: There might be a possibility of applying for a loan from New York City Fund prior to the registration of CBO's contract. Please contact your Account Executive at DYCD Program Department.