

CONTRACT BUDGET AND FISCAL MANUAL

WORKFORCE INVESTMENT ACT (WIA)

Youth Programs



Department of Youth and Community Development
April 2008

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SECTION ONE:

PROGRAM BUDGET WORKSHEET INSTRUCTIONS

INTRODUCTION:

A budget is an annual statement of the Contractor's application of the Contract amount to the annual cost of performing the services. The budget is divided into two categories: **Personnel Services** and **Other Than Personnel Services**, as follows:

PERSONNEL SERVICES:

- Salaries & Wages
- Fringe Benefits

OTHER THAN PERSONNEL SERVICES

- Indirect Cost
- Fee for Profit
- Non-Staff Services
- Facility Rental
- Bonding & Liability
- Audit Cost
- Other OTPS
- Stipends

PAGE 1: THE PROGRAM BUDGET CERTIFICATION PAGE

- **Contractor:** The official name of the Contractor as it appears on the certificate of incorporation and the address.
- **Program Name:** The name of the specific WIA program, such as Out of School Youth (“OSY”) or In School Youth (“ISY”); the address, if site is different from the main office; telephone and fax number.
- **Director:** The person responsible for the overall administration of the contract and his/her telephone number.
- **Type of Organization:** Check whether it is For Profit, Not for Profit, or Public Agency
- **Federal Employer Identification Number (EIN).**
- **Budget Period:** Enter the period of time the budget will be effective. A separate budget must be submitted for each program year of the contract term.
- **Enrollment:** The number of participants to be served under the contract for the year.
- **Annual Budget:** The amount to be received for the program year from the contract.
- **Authorized Official:** The printed name and title of the person authorized to sign the contract, his/her signature, and the date the Program Budget is signed.

PAGE 2: THE PROGRAM BUDGET SUMMARY

This page is the Summary Page for all other Worksheets to be filled out in the different categories of the Program Budget.

- **Contractor:** Include organization name on this and every following page where indicated.
- **Program Year:** Give the calendar dates of the program year on this and every following page where indicated.
- **Annual Budget:** The annual amount under the contract.
- **Program:** The annual amount under the contract (same as annual budget).
- **Personnel Services:** The total of Wages and Fringes charged to the contract:
 - **Wages:** The total amount of Wages paid during the Budget Period
 - **Fringes:** The total amount of Fringes paid during the Program Year, which cannot exceed 30% of wages.
- **Other than Personnel Services:** The total of all other categories in the budget charged to the contract, namely: Indirect Cost or Fee for Profit, Non-Staff Services, Facility Rental, Bonding and Liability Insurance, Audit Cost, other OTPS, and Stipends
- **Indirect Cost:** The total amount of indirect cost charged to the contract, which cannot exceed 10% of Wages and Fringes
- **Fee for Profit:** The total amount of fee for profit charged to the contract, which cannot exceed 10% of the total annual budget.
- **Non-Staff Services:** The total amount for subcontractors, consultants, and vendors charged to the contract.
- **Facility Rental:** The total amount of facility rental charged to the contract.
- **Bonding & Liability Insurance:** The total amount of bonding and liability insurance charged to the contract.
- **Audit Cost:** The total amount of audit cost charged to the contract.
- **Other OTPS:** The total amount of other OTPS charged to the contract.
- **Stipends:** The total amount of stipends charged to the contract.

PAGE 3: QUARTERLY EXPENDITURE PROJECTION

Note: The Quarterly Projection Page of the Program Budget shows a projection based on anticipated expenditures and the annual budget amount, which is a combination of the annual line item amount and the annual performance amount. The budget must be projected for eight (8) quarters to cover the program year and all follow-up. The second year will show the amount allocated for follow-up.

- **Term of Contract:** Calendar dates of full term with all program years.
- **Program Year:** Calendar dates of program year.
- **Cumulative Quarterly Expenditure Projection:** The projected contract amount that will be used quarterly, keeping in mind that 80% of the contract amount can be paid monthly as line item budget reimbursement, while 20% will be paid on the achievement of performance milestones. Project funds to be used for follow-up services in the following amounts:
 - For OSY programs: 15%
 - For ISY programs: 10%.

PAGE 4: PERSONNEL SERVICES SCHEDULE

- **# Of Staff:** Total number of staff who will be charged to the contract in all the different categories within Personnel Services.
- **Total Wages:** Total amount of Wages charged to the contract based on all Personnel Services categories.
- **Original Wages:** Total amount of Original Wages of staff charged to the contract, which will differ from Total Wages in cases of staff not charged full-time to the contract.
- **Request to Change (+ or -):** This column is filled out when a **modification** is requested.
- **Dollar Amount:** Total amount of Wages charged to the contract based on Personnel Services categories.
- **Total # of staff:** Total number of staff charged to the contract.
- **Total Wages:** Total amount of Wages charged to the contract.
- **Total Wages not Subject to Fringe:** Total amount of wages not subject to fringe benefits.
- **Net Wages:** The difference between Total Wages and Total Wages not Subject to Fringe.
- **Fringe Rate:** Percentage of Fringe that will be charged to the contract, not to exceed 30%.
- **Total Fringe:** Fringe rate times net wages.
- **Total Wages & Fringe:** Total Wages & Fringe amount charged to the contract.

PAGE 5: PERSONNEL SERVICES DETAIL SCHEDULE

Note: Include with the attachments a resume for each employee and a job description for each unfilled position.

- **Job Title/Name/Start Date:** By separate title list each employee's Job Title, Name, and Start Date for this contract.
- **# of weeks worked:** Number of weeks each employee will work for this contract.
- **# of weeks in the year:** Number of weeks that each employee will work for this contract during the year.
- **Annual Salary:** Each employee's annual salary.
- **% to Category:** Percentage of the annual salary charged to this contract.
- **Total Cost to Contract:** Total cost of each employee's wages for this contract.
- **Sub-total per Title:** Sub-total per Title.

PAGE 6: FRINGE SCHEDULE

Note: Include with the attachments the insurance rate card, premium notice, or financial statement indicating the rate consistent with the fringe schedule, if applicable.

- **Fringe Package Item Method of Calculation:** For each Fringe Package Item (FICA, Workers' Comp, Unemployment, Disability Insurance, Health & Welfare, Pension Plan, and other), indicate the method of calculation and the total cost of fringe benefits to be charged to the contract, which **cannot exceed 30% of Salaries charged to the Contract.**

PAGE 7: INDIRECT COST SCHEDULE

Note: The Indirect Cost rate must be approved in advance by DYCD or another New York City, New York State, or federal agency. Include with the attachments either a letter of approval from the DYCD Office of Budget and Fiscal Affairs or a completed Indirect Cost Rate Proposal and a copy of the contractor's most recent annual report, balance sheet, or audit.

- **Total Wages & Fringe:** Total Wages and Fringe for this contract.
- **Indirect Cost Rate:** Indirect Cost rate, which **cannot exceed 10% of Wages and Fringe**.
- **Total Budget, Indirect Cost:** Indicate the product of the "Total Wages & Fringes" multiplied by the "Indirect Cost Rate". This amount will be the Indirect Cost amount charged to the contract.

PAGE 8: FEE FOR PROFIT SCHEDULE

Note: Non-profit agencies may not budget a Fee for Profit. For-profit agencies may use either an Indirect Cost rate or a Fee for Profit rate, but not both.

- **Total Wages & Fringe:** Total Wages and Fringe for this contract.
- **Total O.T.P.S. (Lines 4 – 7):** Total of the following categories: Facility Rental, Bonding & Liability Insurance, Non-Staff Services, Audit Cost, and other OTPS cost.
- **Fee for Profit Rate:** Fee for Profit rate for this contract **not to exceed 10% of Wages & Fringes + Total OTPS (Lines 4 -7)**.
- **Total Budget, Fee for Profit:** Product of the "Fee Base" multiplied by the Fee for Profit rate. This amount will be the Fee for Profit amount charged to the contract.

PAGE 9: NON-STAFF SERVICES

Note: No more than 40% of the value of the contract may be subcontracted. All agreements with subcontractors/consultants/vendors must be included with the attachments. Subcontracts and consultant agreements must be on a DYCD form, approved in advance by DYCD, and include

- The subcontractor's EIN
- The consultant's resume.

- **Subcontractor/Consultant/Vendor:** Name of the Subcontractor/Consultant/Vendor
 - **Subcontractors** are organizations that provide a substantial portion of program services.
 - **Consultants** are individuals who provide occasional or short-term program services.
 - **Vendors** are organizations or individuals who provide non-program services.
- **Nature of Service:** The specific service provided by the subcontractor/consultant/vendor.
- **Method of Calculation:** The Method of Calculation of the cost of the services, such as hourly rate.
- **Contracted Cost:** The total amount charged by the subcontractor/consultant/vendor.
- **Program:** The percentage of the work that the subcontractor/consultant/vendor will provide to the program.
- **Amount:** The amount of each agreement charged to the contract.

PAGE 10: FACILITY RENTAL WORKSHEET

Note: Include with the attachments either a copy of the Facility lease or, if rent is not paid, an in-kind letter, with the following information:

- Total Annual Rental Cost
- Total square footage of the Facility
- Amount per square foot
- Total Square Footage used for the program
- Period of Rental Agreement that covers the Contract Term
- Signatures of both lessee and lessor/property owner.

- **General Information:**

- (1) Building location, (Complete Address)
- (2) Block & Lot Number
- (3) Name of lessee
- (3a) Street address of lessee
- (3b) Contact person name and telephone number
- (4) Lessor/Property Owner's Name
- (4a) Lessor/Owner's Address
Contact Person name and telephone number

- **Lease Terms:**

- Annual Rent Rate
- Square Footage Specified in the Lease
- Square Footage to be used for the program
- Annual cost per square foot
- Monthly cost per square foot
- Number of months the Facility will be used for the program
- Base Rent Cost (*Sq. ft to be used for the program X Monthly cost per sq. ft X number of months the Facility will be used for the program*)
- Additional Cost Clauses (Water, Fuel, and Real Estate Tax)

- **Subtotal Cost of Facility Rental:** Base Rent Cost + Additional Cost Clauses

- **Percentage to be charged to the Contract:** Percentage of facility cost that will be charged to the contract.

PAGE 11: BONDING & LIABILITY INSURANCE WORKSHEET

Note: Include with the attachments a **current** Certificate of Bonding and Liability Insurance that names **The City of New York and NYC Department of Youth and Community Development as additional insureds.**

- **Type of Insurance:** Fidelity bonding or liability insurance
- **Underwriter/Term of Policy:** Name of the Bonding & Liability Insurer(s) and the Term of the policy(s)
- **Amount of Coverage for Contract:** Amount of Bonding & Liability insurance for the contract.
- **Actual/Estimate Policy Cost:** Actual or estimated cost of the Bonding & Liability policy.
- **# of Months of Coverage for Contract:** # of months that the contract is covered by the Bonding & Liability insurance.
- **Percent Charged to the Contract:** Percentage of the Bonding & Liability insurance cost charged to the contract.
- **Contract Cost:** Amount of the Bonding & Liability insurance cost charged to the contract.

PAGE 12: AUDIT COST WORKSHEET

Note: Include with the attachments:

- A "Letter of Engagement" from a Board Certified Auditor and
- The contractor's most recent Audit report.

- **Program Purpose/Description:** Type of Audit (**A-133 or Program Audit**)
- **Unit Cost:** Unit cost of the Audit to be done.
- **Total Cost:** Total Audit Cost.
- **Program % and Amount:** Percent and corresponding amount of the Audit Cost charged to the contract.

PAGE 13: OTHER OTPS COST WORKSHEET

Note: Include with the attachments the following:

- For any rented equipment, a copy of the Rental or Maintenance Agreement;
- For any participant incentives, an incentive plan on contractor's letterhead showing objective criteria for and uniform distribution of incentives.

- **Unit of Measure:** Unit of measure of the OTPS item charged to the contract
- **Quantity:** Quantity of the OTPS item charged to the contract
- **Program Purpose/Description:** Type of OTPS item (e.g., supplies, telephone) charged to the contract
- **Unit Cost:** Unit cost of the OTPS item charged to the contract
- **Total Cost:** Total OTPS charged to the contract per item described.
- **Program % and Amount:** Percent and corresponding amount of the OTPS charged to the contract for each item.

PAGE 14: STIPENDS WORKSHEET

- **Occupational Title:** Titles of jobs for participants
- **Planned Enrollment:** Number of participants to be enrolled
- **Start Date & End Date:** Dates of the period or cycle that apply
- **# of Weeks:** Weeks of the cycle or period
- **# of Participants:** For the cycle or period being applied
- **# of Enrollee Weeks (Total Participant Weeks):** # of weeks X # of participants
- **Support Payment:** \$ value assigned per participant
- **Total Support Payment:** # of enrollee weeks (Total Participant Weeks) X Support Payment
- **Absentee Rate:** Absentee rate (%) anticipated
- **Less Absentee Rate:** Amount of Total Support Payment X Absentee rate (%) / 100
- **Adjusted Support Payment:** Total Support Payment - Absentee rate amount

SECTION TWO:

PURCHASING PROCEDURES

GENERAL POLICY

Any purchasing (procurement) of goods/services is to be conducted in the name of the contractor. Contractors are responsible for ordering, receiving, inspecting and acceptance of merchandise and/or services. **The name of DYCD, 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, and the like, must be issued in the name and address of the contractor.

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

1. Contractors must have a budget approved by DYCD.
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 or services are received or delivered.
5. The expenditure must be necessary to support the contractor's 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, that is, no vendor qualified to provide the goods or services may be restricted from bidding and there is fair competition among those bidders.

1. **Purchases Less than \$2,500**
For purchases whose value is \$2,500 or less, no competitive bids are required. Contractors shall ensure that the non-competitive price is reasonable. Contractors must document such purchases and identify the vendor, the item purchased, the amount and date paid.
2. **Purchases from \$2,500 - \$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. **PRIOR WRITTEN APPROVAL IS REQUIRED BY DYCD FOR PURCHASING, RENTING, OR LEASING EQUIPMENT VALUED AT FIVE THOUSAND DOLLARS (\$5,000.00) OR MORE, as set forth in detail in Section III, below.**
3. **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.

Contractors may structure formal bidding using the procedure set forth herein required for all purchases in excess of \$25,000.

Contractors 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:

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

Contractors 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 contractors 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. Contractors may 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. Contractors must document the process followed in its selection of the most responsible lowest bidder and upon request, submit the same to DYCD. 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. Contractors shall make every reasonable effort to obtain competition before the purchase of commodities or services. Contractors must document any situation where reasonable competition is not available.

SECTION THREE:

EQUIPMENT INVENTORY AND DISPOSAL PROCEDURES

“Equipment” means non-consumable, movable property with a single item value of five thousand (\$5,000.00) dollars or more, an expected useful life of one year or more, self-contained for its primary function, and utilized by a contractor performing services under a WIA contract with DYCD.

No Equipment may be purchased without prior approval obtained from DYCD, which is subject to DYCD obtaining approval from the New York State Department of Labor (NYS DOL). Accordingly, contractors will not be reimbursed the cost of any Equipment purchased without such prior approval.

Inventory and Control

Contractors are expected to establish and maintain a control system to ensure adequate safeguards to prevent loss, damage or theft of the Equipment.

The control system should include maintenance of an ongoing inventory of all Equipment purchased during the term of the contract. The inventory list must be itemized, updated, and submitted to DYCD as part of the Monthly Financial Report and should include the following:

- (i) description of the Equipment;
- (ii) manufacturer’s serial number, model number, Federal Stock number, national stock number, or other identification number;
- (iii) source of the Equipment, including the WIA CFDA award number (17.259) and DYCD contract number;
- (iv) acquisition date (or date received, if the Equipment was furnished by the federal government) and cost;
- (v) percentage of federal participation in the cost of the Equipment;
- (vi) location, use and condition of the Equipment and the date the information was reported;
- (vii) unit acquisition cost;
- (viii) ultimate disposition data, including the date of disposal and sales price.

Contractors should conduct on-site physical inventories of Equipment at least twice a year and record the facility and room location for each item of Equipment.

At least once every two years, DYCD will conduct physical inventories at Contractors’ sites, to verify the existence, current utilization, and continued need for the Equipment. DYCD will reconcile its records with contractors’ inventories of Equipment.

All Equipment purchased with contract funds shall be marked “Property of the Department of Youth and Community Development”. These labels may be obtained from

DYCD. Receipts of all items purchased with contract funds should be kept in a separate file, labeled “**Equipment Purchased with DYCD Funds**”.

Purchase and Usage

- Equipment purchased should be consistent with staff and participant course requirements.
- Equipment purchased for a specific contract should be allocated to cost categories in direct proportion to the usage of the Equipment. Equipment shared by other programs, contracts, or funding sources should have the acquisition cost properly allocated. The allocation methodology should be clearly explained and documented.
- Whenever feasible, contractors should use Equipment available in storage by DYCD in lieu of purchase. Such items should be removed from the budget. Contractors are responsible for transporting the Equipment to the program site. Moving costs are reimbursable and should be budgeted under OTPS.
- DYCD may institute a centralized purchasing system permitting designated Equipment to be ordered directly by DYCD and charged to contractors or deducted from authorized budgets.
- Replacement of Equipment purchased through a prior DYCD contract, requires prior written approval of DYCD.
- Equipment lost through theft, fire, breakage, or other casualty, may be replaced either through stored surplus Equipment or from existing budgets if funds are available and the contractor can demonstrate that the loss was not due to its negligence.
- Any theft of Equipment should be immediately reported to the local Police Precinct. A copy of the Police Report with complaint number should be maintained in the central inventory file. Insurance proceeds should be used to replace the stolen or damaged items. If DYCD provided reimbursement for the insurance costs and for justifiable reasons, the Equipment is not replaced, the insurance proceeds are to be refunded to DYCD. Contractors are required to purchase insurance to cover Equipment with a company licensed to do business in the State of New York.
- All Equipment with a current per unit fair market value less than five thousand dollars (\$5,000.00) at the termination of the contract or when the Equipment is no longer required, may be retained by the Contractor.
- Upon contract expirations, all Equipment with a current per unit fair market value of five thousand dollars (\$5,000.00) or more should be returned to DYCD or the fair market value of the Equipment should be refunded to DYCD. The contractor may submit a written request to DYCD to transfer Equipment to another DYCD funded program. DYCD approval must be obtained prior to any such transfer.

SECTION FOUR:

CONTRACT AUDIT REQUIREMENTS

DYCD monitors fiscal compliance of its contractors through audits and annual fiscal field reviews conducted by certified public accounting firms designated by DYCD. Some contractors are also required to have audits performed in accordance with Federal OMB Circular A-133 or obtain certified audited financial statements on an entity-wide basis or program specific basis, as described below:

- Non-profit contractors receiving funds of \$500,000 or more annually must (i) have an audit performed in accordance with Federal OMB Circular A-133 completed within nine months after the end of the contractor's fiscal year and (ii) promptly provide DYCD with a copy of the A-133 Audit Report after issuance. These contractors should be familiar with and are responsible for compliance with OMB Circular A -133 requirements.
- Non-profit contractors receiving funds of less than \$500,000 but over \$25,000 annually through DYCD must have a fiscal program audit for each specific program.
- For-profit contractors receiving funds of \$25,000 or more annually must have either a program-specific or entity-wide audit.
- For-profit and non-profit contractors receiving less than \$25,000 of federal funds annually from DYCD are not required to provide certified audited financial statements on an annual basis but are subject to annual fiscal field reviews and must maintain current and complete records and have such records promptly available to DYCD for review.

Contractors must provide DYCD with audit reports promptly after issuance and no later than nine months after the end of each contractor's fiscal year.

Audit costs are allowed as administrative contract expenses and must be budgeted as a direct cost under the audit cost category. DYCD will accept audit costs for audits of DYCD funded contracts or programs only and will not reimburse the cost of auditing programs funded by other sources. Where audit costs are allocated to multiple funding sources, a cost allocation plan must be submitted to the DYCD Director of Contract Agency Audit for review and approval.

Contractors must act promptly upon receipt of audit and fiscal field reports to resolve any audit or fiscal field review findings. Findings are matters involving non-compliance with applicable laws and regulations, generally accepted accounting principles, or contracts with DYCD and may also involve questioned costs and deficiencies in internal controls.

Contractors are required to promptly implement corrective action plans to address and resolve any findings and provide timely reporting to DYCD of the status of any corrective action plans. DYCD may determine whether additional actions on the part of the contractor will be required to resolve any findings.

- Over-budget costs are required to be refunded to DYCD or reconciled through budget modification as determined by DYCD.

- Unreasonable costs that do not relate to the contracts are disallowed and must be refunded to DYCD.
- Undocumented costs are considered disallowable costs if the contractor did not submit the required documents.
- Costs that are not in the contract budget are disallowed and must be refunded to DYCD.

Appropriate sanctions such as disallowing costs and withholding or suspending awards are considered by DYCD when reporting or appropriate corrective action on audit or fiscal field review findings are not implemented in a timely manner.