



**Department of
Probation**

**33 BEAVER STREET, 21ST FLOOR
NEW YORK, NEW YORK 10004**

Fiscal Manual

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REVISED: MARCH 2011

Introduction and Overview

The Fiscal Manual incorporates the policies and procedures of the Department of Probation (DOP), relating to the financial management of funds awarded under a human services contract, which Contractors are expected to comply with. The fiscal manual provides financial guidelines in areas such as invoicing, payments, advance payments, disallowances etc.

DOP's Office of Financial Operations is responsible for monitoring the fiscal compliance of DOP's human services contracts. DOP's human services contracts are performance-based or some combination of line-item reimbursement and performance based.

The Payment and Vouchering unit, which is part of the Office of Financial Operations, receives invoices for payment and financial reports supporting the invoice from human services contractors. This unit analyzes the financial reports, and checks for compliance with the scope of the contract. It also submits payment invoices to program staff for programmatic, performance-requirement review and approval. A Payment Analyst is assigned to each contract. The Payment Analyst serves as the organization's contact person for payment inquiries.

Requests for Reimbursement

All vendors with city contracts over \$25,000 per year are required to enroll in the Vendor Payment Direct Deposit Program. This applies to human service providers. Vendors enrolled in this program have payments sent directly to an authorized bank account. To enroll in EFT, see attached EFT form with instructions for filling out and mailing or go the NYC Finance Department website at <http://www.nyc.gov/html/dof/html/home/home.shtml>, click *Doing Business With NYC*, click on *Getting Paid*, then click on **TRANSFER (EFT/DIRECT DEPOSIT) PROGRAM**.

For reimbursement of expenses, the Contractor will submit a monthly or quarterly package, based on the billing cycle that has been agreed to in the contract. This will include a payment invoice, documentation, and backup for all expenses that are being claimed for reimbursement. Please note that all requests for reimbursement should be consistent with the deliverables and the scope of the contract. The invoice should include the following information:

- Contractor's name, address and telephone number
- NYC contract number
- Vendor Tax Identification number
- Invoice number and date
- Description of services rendered
- Quantity, unit price and amount
- Invoice period for services rendered (from/to)
- Billing rates for services (per hour, per week, etc) and resulting amounts
- Itemized list of performance-based items, the extent to which they are accomplished, and the associated payment amount requested for each. Include backup documentation with sufficient detail to support the claim.
- If the contract has Personal Services (PS) expenses, include payroll reports showing actual salary by name or employee number and itemized fringe benefit expenses to indicate amounts paid for benefits such as FICA, health insurance, life insurance, pension plans,

worker's compensation, disability benefits, unemployment insurance etc. The number of hours per week or percentage of time spent on the program should be shown. Indirect costs such as those of central support staff, if allowed per the contract, should be listed and the allocated percent should be consistent with the scope of the contract. If the submission of timesheets is included in the contract, they should be included as supporting documentation also.

- Other Than Personal Services (OTPS) expenses should be itemized. Costs for space, utilities, operating costs should list the allocated costs, if any, that are being billed to DOP. All expenses claimed must be within the scope of the contract.
- Any other supporting documentation as required by the contract.
- Total amount due.
- The invoice must be certified and approved by the Contractor's Fiscal Officer or other authorized signatory certifying to the accuracy and completeness of the invoice.

Requests for reimbursement must be prepared on a cash basis and submitted to:

The Deputy Director
Payment and Vouchering Unit
Office of Financial Operations
33 Beaver Street, 21st Floor
New York, NY, 10004

Agency Review of the Payment Invoice

A Payment Analyst is assigned to each contract and is the point-of-contact person for all payment-related questions for the contract. Upon receipt of a payment invoice, the payment analyst checks for accuracy, completeness and compliance with the specifications of the contract and the approved budget. If any documentation is missing, the invoice is placed in pending status and a call is made to the Contractor's liaison regarding the missing documentation. Invoices that have substantial errors or omissions will be returned to the Contractor for correction.

The invoice package is sent to the DOP program manager to review for programmatic compliance with the performance-based requirements of the contract. The program manager will certify the invoice for payment. Only expenses that are within the scope of the contract budget are approved for payment. The package is further audited by the Payment Analyst to ensure the correctness of information. Upon approval, a payment voucher is prepared by the Payment Analyst and submitted to the Comptroller's Office.

Payment Processing

DOP will process payment to the Contractor within 30 days of receipt of the payment invoice, provided that the payment invoice is complete and does not need to be placed in pending status because it is missing supporting documentation. After the payment is processed, it takes approximately 5 to 7 business days for the Electronic Funds Transfer (EFT) or paper check to be issued. If a contract is amended, payment to the contractor might be delayed due to submission to

the Comptroller's Office for contract approval which takes about 30 days. If payment is delayed, the Payment Analyst will communicate such status to the Contractor.

The City of New York offers the Payee Information Portal (PIP) that allows Contractor's to track all payments made through the Department of Finance by any NYC Agency. It also allows a Contractor's to perform vendor maintenance on their records (address, telephone updates, etc.). The PIP website address is: <https://a127-pip.nyc.gov>.

Advance Payment

After contract registration, an advance payment may be issued to the Contractor if necessary. In the event that a two-month advance payment is issued, the amount, generally, will be recouped in the remaining 10 months of the fiscal year. The Payment Office will deduct 1/10th of the advance amount each month for the remaining 10 months. However, DOP has the option to recover advances earlier based on the actual spending rate.

Check Holds

In some instances a Contractor will be placed on *Check Hold* status. Some of the reasons an organization can be placed on check hold status are - missing or expired insurance, a corrective action plan associated with the contract is pending or funds are due to DOP or the NYC Finance Department, from the Contractor.

If a Contractor is on check hold status, submitted payment invoices will be reviewed, but an EFT or check will not be disbursed until the deficiency or discrepancy is rectified.

Disallowances

Expenditures for items that are not included in the budget will not be reimbursed. A letter will be sent to the Contractor notifying them of the disallowed expense, the reason for the disallowance, and the amended invoice amount. If expenses are disallowed because of incomplete or missing documentation, Contractors can correct for any deficiencies and resubmit the expense with their next invoice.

Contract Term

The Contractor must perform all contract services and receive all goods and services by the **last day of the contract operating period**. Payroll expenses, including fringe benefit expenses should be those incurred to the last day of the contract operating period. Any expenditure made for goods and services which are received after the last day of the contract/budget period will **not** be accepted as an authorized expenditure. **There are no exceptions to this rule.**

Contract Closeout

The deadline for submission of a **FINAL** payment invoice is no later than (60) sixty days after the end date of the budget operating period. Budgets ending June 30th have a deadline of August 31st. Failure to meet this deadline may result in the rejection and disallowance of all expenses reported on the payment invoice.

The Contractor is to submit an expense accounting for all expenditures up to the contract termination date. In the event that a contract is terminated before the expiration date, any uncommitted funds that have not been used by the contract end period are to be returned to DOP. The refund checks should be sent to:

The Deputy Director
Payment and Vouchering Unit
Office of Financial Operations
33 Beaver Street, 21st Floor
New York, NY, 10004

When all payment invoices have been processed, the payment analyst will officially close out the contract.