

## **COVID-19 FY21 Fiscal and Budget Guidance for Human Service Providers**

*Effective July 1, 2020*

This guidance supersedes the March 18<sup>th</sup> letter from Mayor's Office of Contract Services to human service providers and is effective July 1, 2020. Due to the shifting nature of this current COVID-19 environment, we will continue to update guidance as necessary. If you have any questions about the information provided below, please contact your agency contract manager.

On Friday, March 13<sup>th</sup>, the Mayor declared a State of Emergency that creates flexibility on contract performance while maintaining organizational cash flow and financial flexibility. While the State of Emergency is in effect, Section 7.03 of the Health and Human Service (HHS) Contract is triggered. This section allows the Contractor, at the request of and in a manner determined by the Department, to assist the Department in carrying out emergency procedures during the State of Emergency.

### **HHS Staff are Essential Workforce**

On March 18th, the Mayor designated the HHS workforce serving in City-contracted programs as essential workers. This designation addresses access to work supports such as child-care, testing, isolation hotels, and permitted travel to and from work.

### **Payments on Contracts**

- As long as the State of Emergency remains in effect, providers may continue to operate under a modified scope of work (e.g. remotely) previously approved by the contracting City agency.
  - Effective July 1, 2020, any new modifications to scopes of work must be approved in writing by the contracting agency. Contracting agencies will no longer request scope of work templates from providers. If you have questions about a pending scope of work, please reach out to your contracting agency.
  - Programs that have been converted from performance-based budgets to line-item budgets or programs that no longer meet contract goals may continue operating, and receiving payment, unless otherwise notified. The City may re-evaluate the continuation of modified services and/or methods of payment for these programs. The City appreciates that advance notice is helpful.
- COVID-19 specific expenditures that are the direct result of complying with City of New York Health Department Guidance, such as cleaning, disinfecting supplies, and personal protective equipment, continue to be eligible for reimbursement. Such costs must be appropriate and reasonable, as determined by the City contracting agency.
  - If costs can be accommodated within the provider's annual fiscal year contract budget, the provider may initiate a budget modification. Please consult the Budget Modification Guidance [here](#).
  - If such costs cannot be accommodated within the provider's annual fiscal year contract budget, the provider must submit a request to their contracting agency for approval prior to purchase.
- Programmatic expenditures associated with COVID-19, including those related to technology and personnel, must be submitted to the contracting agency for review and approval prior to purchase.

- Costs associated with reopening that are not captured above must be submitted to the contracting agency for review and approval prior to purchase.
- COVID-19 expenditures that are reimbursed within the contract's budget are eligible for indirect cost rate (ICR) reimbursement. COVID-19 expenditures that are reimbursed through additional contract investment are not eligible for ICR.
- Reimbursement for the Residential Response Workplan will terminate on July 15, 2020.

COVID-19 expenditures must continue to be invoiced separately and tracked appropriately, according to the Guidance for COVID-19 Expenditure Tracking and Reporting found [here](#).

### **Cash Advances**

In recognition of the need for cash flow in the current COVID-19 recovery environment, the City will be issuing automatic advances for active FY21 HHS contracts with programs beginning in July 2020, if not prohibited by state and/or federal guidelines. Providers will not need to request advances this fiscal year. These automatic advances will total 25% of the FY21 contract budget. In order to receive this advance, the contract needs to be registered and the budget needs to be approved. Funds will be disbursed/processed the first week of July.

### **Audits**

Providers can expect to hear from their contracting agencies on resuming audits in August.