

DSS and DHS Workshop on Contracts and Budgets- Frequently Asked Questions

(FAQs)

Q1. Why don't I see my new need in PASSPort?

A1. New Needs are submitted through the New Need System, Service Now. Once approved by DHS and OMB, an Amendment will be initiated with the ACCO for it to go through the registration process. An Amendment Task is initiated concurrently at this time in **PASSPort**. Once the task is approved, and the Amendment is registered, the funds will be active in the budget.

Q2. What's the max amount of start-up?

A2. Providers may request up to 2/12ths of the annual operating budget.

Q3. What can I use start-up for?

A3. Start-up funds can be utilized for personnel, materials, and supplies that are necessary to make the facility or program operational prior to the facility opening.

Q4. How soon can I get start-up funds or an Advance? Does my contract have to be registered to get it?

A4. A contract must be registered before Start-up funds or Advance payments can be requested. Advance payments can only be requested against approved, active budgets and registered contracts. Advances requests may be submitted and approved prior to the start of the Fiscal Year if the annual budget for that fiscal year has been submitted and approved. Advance payments will be made after July 1st.

Q5. Why can't I bill if there's a budget modification pending?

A5. Quality assurance procedures in **PASSPort** will prevent you from submitting an invoice if there is a Budget Modification pending. This prevents errors and overspending within the budget from occurring.

Q6. Can I bill for expenses before we open? What cost can you include in start-up?

A6. Start-up expenses can include personnel, materials, and supplies that are necessary to make the

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facility or program operational. Sites can bill for start-up expenses once the contract is registered and the budget is Active in **PASSPort**.

Q7. What's the difference between start-up & advance funds?

A7. Start-up funds are associated with a new facility or program being opened. These funds can be used to pay for personnel, materials and supplies which are necessary to make the facility or program operational. An advance is a payment against a New Fiscal Year Budget.

Q8. How do you define a one-time cost for start-up funds?

A8. Examples of one-time costs for start-up are materials, equipment, and office furniture for staff.

Q9. Can I delay recoupment of the Advance?

A9. Advances will be recouped against invoices beginning with the payment for the January service period. The guideline for recoupment is 10 % each month from January to May, with the balance (50%) to be recouped against the fiscal year close-out. Advances can also be recouped in 3 installments if preferred. Any changes to the recoupment policy will be reviewed on a case-by-case basis.

Q10. Does an invoice have to match what is in my budget?

A10. Yes, invoices must accurately reflect expenses in accordance with the approved budget, which were actually paid for by the Provider during the month covered by the invoice. The active budget in Accelerator itemizes expected expenditures for the year, and the Provider must make every effort to ensure the expenses do not exceed the line-item budget. There may be instances of unexpected OTPS costs. If the cost exceeds the amount on the budget line, the Program Administrator should be notified; as this will require a Budget Modification.

The purpose of Budget Modifications is to give providers flexibility by allowing them to request certain adjustments to the line-item allocations in the budgets. Budget Modifications must be submitted 30 days in advance of the proposed effective change date. Budget Modifications submitted to revise year-end

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budgeted amounts must be submitted within a timeframe that allows for the 30-day approval period required by DHS. DHS does not guarantee after the fact approval of any major budget changes.

Q11. Can partial payment be issued for invoices?

A11. No, the Agency will approve the invoice or return it for revision. You will receive notifications and/or alerts in **PASSPort** and in your email inbox if actions are required by your organization. Please note that your organization can delete invoices that are “Pending Submission” and can withdraw invoices that have been “Returned for Revisions”.

Q12. What is the timetable for my invoice to be reviewed and approved by DHS?

A12. To be reimbursed, Providers must submit an invoice in **PASSPort** to DSS by the 15th day of the following month, or if applicable, Providers must accept the CARES-generated invoice within 14 business days. The standard timetable for DHS and DSS to approve an invoice is 10 days. Late submissions or invoices Returned for Revision will cause delays. DSS Finance will issue payment once an invoice is approved in the **PASSPort System**. The process may take up to 5 business days to receipt of the EFT.

Q13. What level of detail is required when I submit my invoice?

A13. Invoices must accurately reflect expenses in accordance with the approved budget, which were actually, paid for by the Provider during the service period covered by the invoice. Back-up Documentation is to be uploaded into **PASSPort**. Common backup documentation requests include staff rosters with salaries, invoices from sub-contractors and vendors, and receipts for line-item expenditures. Program staff will perform random reviews of OTPS budget line items throughout the fiscal year and request documentation to validate these expenses.

Q14. How do I get approval to change staffing?

A14. Any staff changes made must be in conformance with certification requirements and standards of

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good care. If additional staff will change the bottom line of the Approved Contract Budget, a New Needs Request must be submitted via the **ServiceNow** online portal. All New Needs Requests are subject to DHS, DSS, and OMB approval.

Q15. Why can't I pass expenses between PS and OTPS – e.g., temporary staff to cover a gap in PS?

A15. To pass expenses between PS and OTPS lines, the Provider must request a Budget Modification. Budget Modifications require proper justifications and are subject to approval by Shelter Budget Office and Programs.

Q16. Why can't I budget for accruals?

A16. The budget is designed to meet the financial needs of the program for the entire fiscal year and not result in accruals.

Q17. What can I use my accruals for at the end of the fiscal year, and what can't I use it for?

A17. Providers are permitted to bill the Agency for accrued expenses only with the final June close-out invoice. This invoice should include all unpaid liabilities as of June 30. If any accrued expenses are included in the final June close-out invoice, the Provider must also submit a detailed itemization of the accrued expenses. The Provider must update the report showing which accruals were liquidated on a monthly basis until all the accruals are liquidated. The Provider must ensure the Agency is not overbilled for these expenses. For example, if a provider takes food delivery on June 30th but does not receive and pay the bill until after June, this is considered an accrued expense.

Q18. What's the admin overhead max? And fringe?

A18. Administrative Overhead expenses are costs not associated with goods or services.

All Administrative Overhead percentages charged should be supported by the most current Certified Financial Statement, accepted NICRA, or 10% De Minimis if applicable.

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The overhead max amount is 10% or your approved ICR percentage of direct costs, and the provider must submit the appropriate supporting documentation to justify the administrative overhead. Providers cannot include Rent, Real Estate Tax, or Debt Service under the administrative overhead.

The maximum fringe amount is 26%. Any rate that exceeds the 26% requires supporting documentation in addition to Fringe Benefits Worksheet. (There may be differences in the percentage across the types of providers/contracts)

Q19. Is there a schedule for annual reviews and close-out budgets?

A19. Providers with expense-based or rate-based contracts must submit their close-out final budget modification no later than **September 1st**.

June invoices do not need to be included in the closeout. The June invoice is usually the final invoice. However, in some limited cases, to address cash flow, we will consider processing a June invoice in addition to a final invoice.

Q20. What do I need to do to get my new fiscal year to advance?

A20. Submit your New Fiscal Year Budget. Once it is approved and active, advances can be requested in Accelerator.

Q21. What are Bridge Loans? How is a Bridge Loan different from an Advance?

A21. Bridge Loans are loans made to Providers against unregistered contracts during the contract registration period. To be eligible, an applicant must either currently hold a contract or other funding agreement entitling the applicant to receive funding from the City's expense budget or must have such a contract or funding agreement pending. In addition, the Applicant must demonstrate that it is experiencing significant difficulty in meeting its operating expenses. A bridge loan is NOT an advance.

An Advance is an early payment given to Providers against registered contracts with an active **PASSPort** budget.

Q22. How are COLAs added to the budget?

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A22. COLAs are added to the contract via a contract amendment. This requires the amendment to be registered and the amount added to the total contract budget in the **PASSPort**.

Q23. What is the timing for new contracts?

A23. Open-ended RFPs take 6 months. Contract management actions take 3-6 months. RFPs take 9-12 Months.

Q24. What will be available at public hearings?

A24. The draft contract will be available at public hearings.

Q25. Can I include accrued expenses in my closeout?

A25. Yes, the expenses can be included in the June Invoices as this is not due until 9/1. Please contact your assigned Budget Analyst if you need assistance.

Q26. What is a sub-budget?

A26. Sub-budgets are utilized when a particular contract has either multiple sites/locations or funding streams. For example, if a Provider is funded through CTL (DHS) budgets as well as ESG grants, there would be a budget for the DHS portion and a separate budget for the ESG portion. Please note that funding cannot be passed between the two sub-budgets.