

FISCAL MANUAL

NEW YORK CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT ("HPD")

SECTION 1: PAYMENT PROCEDURES

1. Requisitions.
 - A. Form. HPD shall communicate to Contractor, requirements regarding the form and content of requisitions and the financial and other records to be maintained by Contractor.
 - B. Submission. Contractor shall submit one requisition for each calendar month during the term of this Contract, or as otherwise directed and/or approved in writing by HPD ("Requisition Period"). Requisitions must be submitted within 30 days of the end of each Requisition Period. During any Requisition Period, Contractor shall submit requisitions, in form and content acceptable to HPD.
 - C. Review. HPD shall review each requisition submitted by Contractor and shall determine the approved amount, and the payable amount with respect thereto. If HPD disapproves part or all of the requested amount with respect to any requisition, HPD shall communicate such disapproval and the reasons therefore to Contractor.
 - D. Final Requisition Date. HPD shall designate the date for submission of Contractor's final requisition, which date shall be not less than thirty (30) days after the end of the Contract term, by written notice to Contractor ("Final Requisition Date).
2. Deductions.
 - A. Amounts Withheld. HPD may, in its sole discretion, withhold any part or all of the payments otherwise payable to Contractor under the Contract until (i) Contractor fully performs all obligations of Contractor under the Contract through the latest date covered by any requisition, (ii) Contractor delivers to HPD all reports and documents required to be submitted by Contractor to HPD through the latest date covered by any requisition, and (iii) HPD has completed a final Audit of each requisition and Contractor's books and records upon which each such requisition is based.
3. Payment.

Payment. HPD shall pay to Contractor, with respect to each requisition, the payable amount minus any amounts withheld pursuant to this Fiscal Manual or any other provision of the Contract.

SECTION 2: LIMITATIONS ON PAYMENT

1. Earliest Payment Date. No payments shall be made to Contractor under the Contract until the later to occur of (i) the commencement date of the Contract; or (ii) the date on which this Contract is registered by the Office of the Comptroller.
2. No Payment for Unauthorized Work. HPD shall not pay Contractor for any Work which is not performed pursuant to and in accordance with all terms of the Contract.
3. Overpayments and Underpayments. All payments made and to be made under the Contract may be reduced by the amounts of prior overpayment or increased for prior underpayment made against preceding requisitions.
4. Payments Subject to Audit. All payments made and to be made under the Contract are subject to Audit.

SECTION 3: RECORDS AND AUDITS

1. Maintenance of Books and Records. In accordance with the Contract, Contractor shall maintain the following books and records in such form as HPD may require:
 - A. separate, true, accurate, and complete books of account, together with payment requisitions and supporting documentation (including without limitation, vouchers, invoices, receipts, canceled checks, and other documents relating to the business and financial affairs of Contractor), and other records and reports showing in detail all receipts and all expenses and charges incurred in the performance of the Scope of Work under the Contract.
 - B. payrolls for all employees of Contractor whose salaries are funded in whole or in part with funds received by Contractor under the Contract and records relating thereto, setting forth the name and address of each employee and his or her correct job classification, rate of pay (including rates of contribution for or costs assumed to provide fringe benefits), daily or weekly number of hours worked, nature of work performed, deductions made, actual wages paid, together with such other information as may be requested by HPD.
2. Access to Books and Records. In accordance with the Contract, Contractor shall maintain its books and records at the offices of Contractor located at Contractor's address indicated in the Contract, or at such other location as may be approved by HPD in writing. Contractor shall make such books and records available for inspection and audit in accordance with this Fiscal Manual and the Contract. The City and HPD shall have the right at all times to inspect the operations and records of Contractor relating to the subject matter covered by the Contract.

- 3 Right to Audit. In accordance with the Contract, the City, the Comptroller, and HPD and any of their duly authorized representatives shall have access to Contractor's Books and Records during normal working hours for the purpose of performing audits. Contractor shall promptly cooperate in good faith with the City, the Comptroller, and HPD and any of their duly authorized representatives so that all Audits can be timely completed.
- 4 Fiscal and Accounting Requirements. Contractor shall adhere to any fiscal and accounting requirements established by HPD for all monies received or disbursed by Contractor in connection with the Contract, including, without limitation, submitting to HPD upon request, in such form as HPD may require, a report setting forth information with regard to the internal control procedures established by Contractor for handling funds received by Contractor under the Contract.

SECTION 4: REPORTS

- 1 General. Contractor shall submit to HPD, within the time and in the manner specified by HPD, all reports and documents required under the Contract, including, but not limited to, any reports and documents specified in this Fiscal Manual.
2. Status Reports. At the request of HPD, and upon a regular schedule to be determined by HPD, Contractor shall submit to HPD written status reports setting forth, in such detail as HPD may require, (i) a description of and the results of the Scope of Work performed by Contractor in connection with this Contract during the preceding month and cumulatively during the Contract term, and (ii) such other issues and information as HPD shall require.
3. Payroll Reports. Contractor shall, and shall cause each subcontractor to, furnish to HPD upon demand a verified copy of its payroll records, time records, and any other information required by HPD to verify compliance with any and all applicable statutes or regulations.

SECTION 5: BUDGET REALLOCATION

Line item amounts set forth in the Budget may be reallocated between line items with the written approval of HPD. In any event, the total amount of payments to Contractor will not exceed the total contract amount.

SECTION 6: ADVANCES

HPD, in its sole discretion, may advance funds to Contractor pursuant to the Contract in an amount approved by HPD in writing in HPD's sole discretion. Any such funds advanced by HPD to Contractor shall be recouped by HPD from subsequent payments for payment requisitions submitted by the Contractor pursuant to the Contract.