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Memorandum

Date: January 21, 2026

To: NYC Department of Homeless Services (DHS) Shelter Providers

From: Department of Social Services – Accountability Office (AO) / Compliance and Contract Monitoring (CCM)

Subject: Guidance on back-up documentation for Invoice Line-Item Sample Review

This memo offers guidance on documentation DHS providers can submit during the Line-Item Sample Review. During the Initial Review, providers must submit the Invoice along with the 1) Payroll Ledger, 2) the Direct Client Assistance Template, 3) the Equipment Template, and 4) for the December 2025 invoice submission, proof of rent payments from July 2025 through November 2025.¹ If no relevant purchases were made for direct client assistance or equipment, a note may be placed in the comments section in PASSPort, stating that no purchases were made.

During the Line-Item Sample Review, providers must submit documentation substantiating whichever budget lines DHS requests. The documentation must include the corresponding vendor invoice or bill for the good or service provided **and** proof of payment. Please note that the same invoice lines may be requested in multiple months throughout the year, especially if the invoices contain discrepancies or high variance.

The list below consists of commonly invoiced items and provides examples of acceptable receipt documents and proof of payment. This list is not exhaustive. It is essential that your organization submits accurate and complete documentation and ensures it invoices on the correct budget lines. Failure to do so may result in rejection or disallowance of claimed expenses.

Upon Agency review, we reserve the right to request additional documents.

¹ In FY27, providers will be required to also submit an Invoice Crosswalk and a Personnel Expense Reconciliation Template. Information on these documents will be coming soon.

Back-up Documentation for Invoice Line-Item Sample Review

Personnel Expense (PS)

1. Direct Employees (Personnel Service Salary, Salaried Employees, Hourly Employees)

- Submit the Payroll processing company report (example: ADP Report or equivalent employee payroll documentation).
- Additionally, DHS may also request additional documents (e.g., Labor Distribution Report; etc.) for employees whose salaries are allocated between multiple shelters.
 - **Note:** Allocation methodologies must be provided to DHS at the beginning of the Fiscal Year and adhered to consistently throughout the Fiscal Year.

Other Than Personnel Expense (OTPS)

1. Professional / Contracted Services

- For contracted services (e.g., contracted security, food/meal service providers, maintenance, accountants, attorneys, consultants, etc.) submit the service bill.

2. Client Events

- Submit invoices related to the client event along with a roster of client's signatures to verify attendance.
 - **Note:** DHS may request that your site provide a list of all special events that occurred during the invoiced month. Additionally, Providers should consult with Programs prior to such event for approval.

3. Direct Client Assistance

- If direct client assistance (i.e. metro cards, laundry cards, and supplies) is claimed in the invoice, submit a Direct Client Monthly Report, which should have been submitted during the initial review, **and** evidence that clients received these goods (Example: submit distribution sheet with client's signatures and the date the metro card was received).

4. Equipment

- If equipment over \$500 (or any electronic equipment, regardless of cost) is purchased within one invoice period, (either individually or several items collectively) submit the Equipment Purchase Template, which should have been submitted during the initial review, along with bill of lading or delivery/receiving reports.
- For leased equipment submit the lease agreement and billing statement.
- For equipment (including furniture) purchases of \$5,000 or more per unit, providers must ensure that the expense is either included as an approved line item in the budget or has received written pre-approval from the contracting agency. Written pre-approval and proof of payment for equipment expenses over \$5,000 must be submitted with the invoice. A list of equipment, items, or goods purchased must also be provided using the required template.

5. Facility Maintenance & Repairs

- Submit receipts of materials or supplies purchased/invoices of services provided.

6. Prepared Food

- Submit receipt or invoice from the food vendor that shows the date of purchase, list the food items purchased and shows the total costs along with the delivery/receiving report.

7. Insurance

- All insurance expenses must be accompanied by proof of insurance cost and coverage period, along with the basis of allocation, at the time of the annual budget submission. However, any changes to the insurance policy or premium must be submitted with the relevant invoice or upon request by the agency.

8. Office Supplies

- Submit receipts, invoices, bills, or inventory records to support claims for office supplies.

9. Rent

- Submit rent billing statements.

10. Staff Transportation

- Submit documentation stating the name of the employee(s), the purpose of the trip, mode of transportation and receipts.

11. Utilities

- Submit utility bills (i.e., water/sewage, gas, heating, electric, etc.)

12. **Additional Documentation**

- For any purchase of goods, supplies, equipment, or services for amounts between \$5,000 and \$25,000 you must conduct sufficient market research **and** submit documentation to support your determination that the price of these items or services was reasonable.
- For any purchase of goods, supplies, equipment, or services for amounts over \$25,000, or the aggregate across contracts is greater than \$25,000, you must submit documentation that a least **3** written estimates or competitive bids were obtained.
- In PASSPort, you must attach the following:
 - Greater than \$25,000 for goods – minimum of 3 bids
 - Greater than \$25,000 for services – ACCO approval in PASSPort
 - Great than \$5,000 for maintenance work – minimum of 3 bids
 - Less than \$25,000 for goods or less than \$5,000 for maintenance – market research for comparable services and goods
- Note that aggregated amounts (for all expenditures spanning multiple shelter contracts) must be considered as part of this requirement.
- ****Please have a discussion with Programs prior to making purchases within the thresholds discussed above. After this discussion, you may submit market research or competitive bidding documentation to Programs for approval. Once approval is received, a comment will be placed in PASSPort within the Fiscal Year Purchase Order page of the appropriate contract, stating that approval has been given for the purchase of the specific item. Please note that back-up documentation after purchases is made of these items (e.g. invoices, proof of payment, etc.) may be requested during Line-Item Sample Review.**

Please Note:

- **Providers utilizing third-party vendors must obtain prior approval in PASSPort from DHS.**

Every PS and OTPS bill or invoice listed above **must** be accompanied with evidence that the payment was made for that good or service. The following is a non-exhaustive list of acceptable proofs of payment:

Proof of Payment

1. **Cleared Check Copies**
 - Front and back images showing endorsement and bank clearance.
2. **Bank Statements**
 - Showing the transaction line item matching the payee and payment amount.
3. **ACH Confirmation or Remittance Advice**
 - Documentation from the bank or payment processor confirming the electronic transfer.
4. **Wire Transfer Receipts**
 - Including confirmation number, recipient details, and amount.
5. **Credit Card Statements** (if applicable)
 - Redacted to show only relevant transaction(s), date, and vendor.
6. **Payment Logs or Ledgers**
 - Screenshots or exports from internal accounting systems showing the payment record.

***Important Note:** Any provider invoicing for rent will provide proof of payment with the December 2025 service invoice for rent payments from July 2025 – November 2025. Proof of payment is either copies of cancelled checks or bank statements showing transfer or wire to landlord/management company. For the December service invoice, proof of rent payment will be a required document (along with payroll ledger, equipment template and client expense record). The provider will not be penalized for failing to provide proof of rent payment for months DHS has not yet reimbursed or reimbursed less than **thirty** days prior to invoice submission.

Accruing Expenses

- If your organization intended to claim on an accrual basis for FY26, you must have notified DHS by **July 31, 2025**. A separate letter should have been submitted for each contract. Providers may **only** accrue expenses if they have received prior approval from DHS.
- If either of the two lines selected for this month are lines that use accruals, the provider must submit proof of payment for the lines submitted in last month's invoice. If DSS/DHS has not reimbursed last month's invoice or has reimbursed less than ten days from current invoice submission, the provider will submit proof of payment for the most recently reimbursed invoice.

Final Reminders

- ❖ Invoices must be submitted for the service period covered.
- ❖ Providers must only invoice on an approved budget line.
- ❖ Providers must ensure that all invoices, supporting documentation and proof of payments submitted to DHS are clear and legible. Dates and other key information should be fully visible, and no text should be cut off.
- ❖ As per your City Contract, providers must retain all books, records, documents for six (6) years after the final payment or expiration or termination of the Contract, or for a period otherwise prescribed by Law, whichever is later.