



**Department of
Social Services**

Human Resources
Administration

Department of
Homeless Services

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**Organizational and Structural Best Practices for New
Providers/Vendors Contracting with DSS/DHS/HRA**

I. Board of Directors and Key People:

1. Have at least seven (7) Board members. Per each employee serving on the Board, an additional non-related member should be recruited.
2. Board meetings and minutes:
 - a. The Board should meet on a quarterly basis to review financial statements. It should establish a finance subcommittee, composed of only Board members, although relevant employees could attend the meetings to provide necessary information, e.g., accountant.
 - b. Board minutes must accurately reflect and include the consideration and disposition by resolution of all business items acted upon at the Board meetings, including those concerning all payments and compensation of all Key People and/or any other employee, including but not limited to salary, bonuses, and benefits. Board minutes shall also accurately reflect discussions and recommendations made regarding program and fiscal management, and conflicts of interest policies and procedures.
3. Training:
 - a. All Board members (current and future), as well as all Key People should take the MOCS Capacity Building Training soon after their appointment, generally within 60 days.
 - Key People = Includes directors, officers, individuals involved in the organization or its affiliates' overall financial and policy decisions, as well as any person in a position to control and/or direct overall operations.

II. Organizational Structure:

1. Memorialize the organizational reporting structure.
2. Develop a strategic plan which delineates its organizational growth and development for its operation under City Contracts. It is strongly recommended that new providers engage a business incubator or accelerator to assist in development of a strategic plan.
3. Hire a Chief Compliance Officer, who directly reports to the Board of Directors.

4. Hire a licensed financial consultant to conduct an assessment of the organization's financial status and internal controls. DSS has a list of approved consultants.
 - a. The assessment should examine the accounting systems and records, ledger, statements, budgets, and budget development process, staffing and communications regarding fiscal workflow and dissemination of fiscal information.
 - b. The organization then should implement all reasonable recommendations made in the assessment.

III. Disclosures and contract compliance:

1. The organization must immediately notify the City of New York Department of Investigation (DOI) of any present or former individuals related to the organization who are subpoenaed, interviewed, questioned, or otherwise contacted by any government agency or official in connection with any criminal investigation or proceeding involving or related to allegations of lack of honesty or business integrity, whether of criminal or civil or administrative nature. If such disclosure is prohibited by law or judicial order, the organization must immediately inform the government agency, official, and/or employee who has contacted them or the employee or former individuals related to the organization that they have a notification requirement to the city.
2. The organization must faithfully comply with the terms of the Investigation Clause contained in all contracts with New York City.
3. The organization must have all sub-contracts approved by DSS, in accordance with the subcontracting clauses in all contracts with New York City.
4. Engagement of any consultant must be in writing.
5. Inform DSS, in writing, of any changes (additions or deletion) to any information required to be reported on PASSPort, upon its knowledge of the occurrence of such events.
 - a. In addition to the above, a copy of an allegation or complaint of sexual harassment on the part of senior leadership (e.g., CEOs and their direct reports) must be provided to the NYC Department of Investigation within 30 days of learning of such allegation or complaint. Carefully review the rider to the contract titled, "New York City Mayoral Executive Order No. 64 Rider: Responsibility of Contracted Providers of Human Services in Relation to Matters Involving Allegations of Sexual Harassment," which provides additional information about redactions and reporting requirements for these types of incidents.

IV. Data security:

1. Data security incidents must be reported to DSS within 24 hours of detection.
2. Install and update Endpoint Protection – Malware and Antivirus.
3. Implement Multifactor Authentication for All Users who access the organization’s resources or services (i.e., Office 365).
4. Set/update/reset ALL user passwords and ALL administrative passwords (with complexity).
5. Require Board members/employees/volunteers to use Virtual Private Network (VPN) when accessing the organization’s network resources when not logging from the office.
6. Turn on and retain for 90 days Application Logs.
7. Turn on and retain for 90 days Security logs.
8. Turn on and retain for 90 days System logs.

V. Other:

1. Review current By-Laws to ensure that it reflects organization’s core mission and that such by-laws are consistent with the City’s Standard Human Services Contract and the New York State Not-for Profit Law.
2. Ensure policies are in place which cover conflicts of interests, nepotism, and related party transactions.
3. Ascertain that procedures are in place to ensure IRS Form 990s, New York State Charities Bureau registration and New York City HHS Accelerator pre-qualification are timely filed and maintained.