

FY26 Advance Directive FAQ – Providers

Which programs are eligible for advances?

As per City policy, all human services contracts with a nonprofit provider are eligible for advance payments upon registration. This year, the Mayor’s Office of Contract Services (MOCS) and the Mayor’s Office of Nonprofit Services (MONS) directed higher-than-ever advance amounts to specific groups and left a handful of others up to the contracting agencies’ discretion. See below for more information.

Please contact your contracting agency if you are unsure which group your contract falls under.

	Group A: Most human services contracts covered by the HHS Cost Manual.	Group B: Special Programs (DHS Shelter and MOCJ contracts)	Group C: Other human services contracts which are not covered by the HHS Cost Manual (City Council discretionary funding, ACS foster care, and NYCPS programs)
How much will my organization’s advance be?	50% of the approved budget (not including allowance funds) at the start of the fiscal year or upon contract registration.	30% of the approved budget at the start of the fiscal year. If they are performing well and submitting invoices on time, they may receive an additional 25% advance in January 2026.	Advance payment amounts will be decided by each agency. Agencies will be sharing more details soon to help nonprofits plan.
When will recoupment take place?	<i>Contracting agencies have discretion on recoupment policies but providers should anticipate recoupment beginning in Q2 for most contracts.</i>		

How much will my organization’s advance be?

- **Group A:** Providers will receive 50% of their approved budget at the start of the fiscal year or upon contract registration.
- **Group B:** Providers will receive 30% of their approved budget at the start of the fiscal year. If they are performing well and submitting invoices on time, they may receive an additional 25% advance in January 2026.

- **Group C:** Advance payments will be decided by each agency, based on their existing rules and provider performance. Agencies will be sharing more details soon to help nonprofits plan.

When will advances be issued?

Initial advances will be issued no sooner than July 1, 2025. For new FY26 contracts, the contract must be registered before the agency can start initiating advances. For continuing contracts, contracts must have an active purchase order, with a completed budget, before advances can be issued. Please work with your contracting agency to ensure all requirements are met so your advance can be issued promptly.

City agencies are working at the highest levels in partnership with nonprofit providers to ensure timely contract registration, allowing advance payments to be issued without delay. Through its “Timely Registration Initiative,” MOCS has streamlined the contracting process, increased transparency, and strengthened the support providers receive from the City at every stage. These improvements were made possible through a combination of streamlined interagency communications, real-time technical assistance, and [system upgrades](#) to PASSPort — the city’s digital procurement platform.

What is the City doing to ensure contracts are registered in a timely manner so that advances can be made?

Seventy percent of FY26 contracts are continuing actions that do not require registration, and we worked closely with agencies through the FY26 Timely Registration Initiative to ensure the remaining 30% were registered as quickly as possible so that advance payments can be issued promptly. By July 1, 2025, 88% of FY26 contracts on agencies HHS plans were submitted for registration on time.

Can we receive an advance before our contract is registered?

For new FY26 contracts, agencies cannot start issuing advances until the contract is registered. For continuing contracts, the advances can be issued as soon as July 1, 2025, as long as the contract has an active purchase order. Please work with your contracting agency to ensure all requirements are met so your advance can be issued promptly.

When will recoupment take place?

Agencies were given discretion in implementing the advance directive. For most contracts subject to the HHS Cost Manual, recoupment will begin in Q2. We will continue to update as additional details become available from our agency partners.

Will advances be issued the same way in FY27?

FY27 advance policy will be reviewed over the course of FY26.

Where can we find more information about advances?

Please contact your contracting agency or your [Chief Nonprofit Officer](#) for questions about your advance and recoupment schedule.