



## **New York City Mayor's Office of Criminal Justice**

One Centre Street Room 1012 North New York, New York 10007

# **Fiscal Manual**

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### **Defining Acronyms Frequently Used:**

<b>ACCO:</b>	Agency Chief Contracting Officer
<b>CBO:</b>	Community Based Organizations
<b>FCR:</b>	Fiscal Cost Report
<b>EFT:</b>	Electronic Fund Transfer/Direct Deposit
<b>FMS:</b>	Financial Management System
<b>MOCJ:</b>	Mayor's Office of Criminal Justice
<b>MOCS:</b>	Mayor's Office of Contract Services
<b>PRC2:</b>	Payment Reimbursement Commodity Encumbrance Document
<b>OTPS:</b>	Other than Personnel Services

## **INTRODUCTION AND OVERVIEW**

The Fiscal Manual represents policies and procedures that guide the processing, recording and reporting of financial information at the Mayor's Office of Criminal Justice (MOCJ). The requirements outlined in this Fiscal Manual must be adhered to by all contractors that receive financial support from MOCJ. Whenever applicable, contract requirements between contractors and MOCJ will supersede any procedures referenced in this manual.

The policies and procedures contained herein and followed by the Mayor's Office of Criminal Justice and the City of New York are in compliance with Federal, State, and City regulations.

The fiscal operations at MOCJ are carried out in two units: Fiscal and Contracts. Their respective duties as they pertain to financial information are described in detail below.

### **I. Fiscal Unit**

The Fiscal Unit, under the direction of the Fiscal Director, is responsible for monitoring the financial compliance of vendors serviced under MOCJ human services contracts and for processing payments related to contracts and other billable services. The Fiscal Unit performs two major functions: Accounts Payable and Fiscal Field Reviews.

#### ***a. Accounts Payable***

Accounts Payable functions performed within the Fiscal Unit are as follows: Receiving, reviewing and processing fiscal cost reports for payment; providing guidance on the submission of fiscal cost reports; tracking financial reports; and analyzing data. Fiscal Analysts are responsible for the fiscal management of all department contracts and act as the agency contact for payment-related inquiries.

#### ***b. Fiscal Field Reviews***

Fiscal Field Reviews performed by the Fiscal Unit comprise the following functions: On-site review of agency accounting procedures and documents, and on-site review of documentation related to personnel, other than personnel services, and fringe benefits. In the instance that accounting or documentation deficiencies are discovered, the Fiscal Unit will work with the Contract Unit to issue a Corrective Action Plan for the contractor.

## **II. Contract Unit**

The Contract Unit, under the guidance of the Agency Chief Contracting Officer (ACCO), is responsible for all procurement-based activities and for programmatic administration of MOCJ contracts. Contract Staff are assigned a portfolio of contracts and each Analyst acts as the agency contact person for all contract-related matters. The Contract Unit works with the Fiscal Unit to effectuate appropriate financial and programmatic management of all MOCJ contracts.

**SECTION ONE**

**CONTRACT AWARD**

## **CONTRACT AWARD PROCEDURE**

Procedures for the contract award process vary by funding source. In general, MOCJ receives contracts funded by Line-Item Appropriation, funded from City Tax Levy, or funded through grant-revenue awarded by State, Federal, or private agencies. The procedures for the awarding of contracts based on these methods are described in detail below.

### **I. Contract Award**

#### ***a. Line Item-Appropriations (Discretionary Contracts)***

Discretionary funding, a duly-appropriated sum of money in the City's expense budget where the total monetary value for discretionary contract awards, is pre-determined by the New York City Council and the total contract amount cannot be negotiated. MOCJ will receive notification from the Mayor's Office of Contract Services (MOCS) whenever the New York City Council has awarded a discretionary contract to a vendor for criminal-justice related services. MOCJ will become responsible for the administration and oversight of these contracts. MOCJ will work with the Office of Management and Budget (OMB) to establish a budget structure for each new discretionary contract and the vendor shall provide MOCJ with a proposed performance-based or line-item budget.

#### ***b. Contracts Funded by City Tax Levy***

Prior to contract award, MOCJ works with OMB to ensure that: 1) contracts are appropriately allocated to an individual budget structure, 2) anticipated funding is available for a contract award, and 3) budgetary concerns have been addressed by OMB. The MOCJ Budget Director will provide a Certification of Funds setting forth the annual funding amounts for the contract and the relevant budget structure. The vendor shall provide MOCJ with a proposed performance-based or line-item budget. Contract negotiations may ensue as per section II below.

#### ***c. Grants***

MOCJ frequently receives grant awards that are passed onto selected sub-recipients, typically contractors, acting in some consultative capacity. When MOCJ receives a grant-based award, MOCJ works with OMB to ensure that: 1) the grant-based contract is appropriately allocated to an individual budget structure, 2) the anticipated funding is available for contract award, and 3) budgetary concerns are addressed with OMB. The vendor shall provide the

Contract Staff with a proposed performance-based or line-item budget.

## II. Contract Negotiation

### a. *Completing the Proposal Narrative*

#### Performance-based Contracts

Performance-based contracting focuses on the outputs, quality, or outcomes that tie at least a portion of a contractor's payment, to the achievement of specific, measurable performance standards and requirements. For all performance-based contracts where the total contract value has been established, MOCJ requires vendors to submit a proposal narrative setting forth performance-based milestones/outcomes, levels of service, and unit costs. Vendors are also required to submit a line-item budget outlining their personnel and other-than-personnel costs. The line-item budget will support the proposal narrative and provide MOCJ with justification as to how the milestones and associated costs were derived. The performance-based milestones/outcomes, levels of service, unit costs and proposed budget form the terms for negotiation, which are either accepted by both parties or modified further until both parties accept the terms and are in agreement with regard to the final terms and deliverables.

#### Line-Item/Cost-reimbursement Contracts

Line-item contracting provide for a line by line contract with specific pricing for each of the proposed items. For cost-reimbursement contracts, MOCJ requests that the vendor submit a proposal narrative explaining the services to be provided and a line-item budget. The line-item budget will either accepted or negotiated further and will be appended to the contract as an attachment.

### b. *Completing the Line-item Budget*

The line-item budget shall be completed in a form suitable to the contractor which clearly sets forth all of the information below as applicable.

Operating Period: The City fiscal year is from July 1st through June 30<sup>th</sup>

Personnel costs and fringe: The maximum rate for fringe benefits varies

depending on circumstances, but the standard range can be anywhere between 39% and 42%. The rate includes all benefits under the Fringe Benefits category. Fringe Benefits may include Federal Insurance Contributions Act (FICA), Unemployment Insurance, Workers Compensation, Disability, Life Insurance, Pension, and Medical Benefits. A minimum Fringe Benefit rate of 7.65% for FICA is required for all contracts.

The annual salary (twelve consecutive months) of all personnel must be clearly indicated in addition to the percentage of funds attributed to MOCJ funding.

Occupancy Costs:

These costs include rental costs attributable to program(s) funded by MOCJ.

Equipment and Furniture:

These costs include costs attributable to program(s) funded by MOCJ.

Start-up costs:

The costs and designated contract term to initiate the program(s) prior to full-year of operations.

Non-Personnel Costs:

These costs include consultants or other non-staff expenditures. Consultants are persons with specific skills, retained to perform limited programmatic tasks or to complete program related projects on a temporary and/or limited basis, where the tasks cannot be accomplished by the contractor's staff. The services must be related to the program work scope as described in the contract.

Subcontractor/Assignee:

An independent entity retained to perform program services. The vendor shall enter into an independent contract with the subcontractor or assignee. A prime contractor shall not enter into any contracts with subcontract or assignee without express written consent from MOCJ.

Stipend:

Stipends are an incentive or allowance that



benefits only a participant, client or volunteer of the program. Stipends may be included as part of a training program to assist a client in acquiring necessary skills ONLY for the benefit of a participant or client.

Participant Incentives:

All expenses incurred under the contract must be properly supported with documents that validate the expenses. Expenses for participants' incentives (gift cards, digital cameras, metrocards, etc.) must be supported, at the minimum, with the participant signed receipt in addition to the fiscal cost report. Other supporting documents may include but are not limited to the organization incentive plan, and participant award letter. Any food purchased, including those meals and snacks served with Agency funds, for program participants must comply with New York City Food Standards stipulated in the contract rider. For more information on the New York City Food Standards visit [www.nyc.gov/html/doh/html/living/agency-food-standards.shtml](http://www.nyc.gov/html/doh/html/living/agency-food-standards.shtml).

Vendor:

An independent business entity retained to provide non-program services. Examples: Cleaning services, security, audit and accounting services.

Consumable Supplies:

Consumable supplies are supplies that attributable the program(s) funded by MOCJ and are not permanent in nature. These include costs for office and maintenance supplies.

Utilities and Telephone:

These costs include utility, telephone, cable and internet costs related to the MOCJ funded program(s).

All proposal submissions shall not exceed the maximum contract value allocated for the particular services

- c. Once completed proposals have been submitted and reviewed by the MOCJ Contract Staff, the budget will be reviewed by the MOCJ Budget Director and ACCO. At this point, the proposed budget will be accepted as is or may require further negotiation. Once approved by the ACCO, the final proposed budget and associated milestones will be utilized as a basis for the contract.

### **III. Modifications**

- a. Proposed budget modifications will be accepted and reviewed by the Contract Staff as needed throughout the term of the contract. Any budget modification must be expressed in writing to the Contract Staff designee. The Contract Staff will then meet with the Budget Director and ACCO to determine: 1) if there is adequate funding or if funding may become available and 2) if the requested modification is programmatically acceptable. If approved, the contract will then be amended to include the budget modification.

**SECTION TWO**

**VENDOR INTERNAL CONTROLS AND GENERAL ACCOUNTING PROCEDURES**

## **INTERNAL CONTROLS**

Top management at each organization is responsible for ensuring an internal control structure. Community Based Organizations (CBOs) are mandated to operate within the guidelines of applicable City, State and Federal regulations including the Nonprofit Revitalization Act.

In general, some common guidelines for the maintenance of adequate internal control systems include, but are not limited to:

- The division of tasks among numerous staff members to mitigate risk of error or fraud.
- Transactions and significant events should be performed by staff acting within the scope of their authority.
- All transactions should be clearly documented and should be readily available for examination by management staff and funding agencies.
- An organization should maintain their assets and periodic inventory checks can help prevent loss or unauthorized use of the organization's assets.

Each organization has their own set of internal controls and should find the most efficient and effective way of implementing its needed internal control procedures.

### **I. Retention of Accounting Records**

All contract-related financial records, such as auditor's reports, must be retained for a period of six (6) years after payment of the final fiscal cost report.

### **II. Bookkeeping Practices and Procedures**

Organizations must maintain separate accounting records for funds received through each contract with MOCJ. Accounting records must be established and maintained in accordance with Generally Accepted Accounting Principles (GAAP). It is important that the organization maintain accurate, complete and permanent books and records, as they are subject to review by MOCJ staff and other NYC agencies.

### **III. Timesheets**

All full- and part-time employees must complete the assigned electronic or manual timesheets. The employee and their supervisor must sign and date each submission. The Board of Directors will review and approve the Executive Director's timesheet.

Electronic timesheets may be maintained if they are certified as accurate by the signature of the Executive Director or a senior level management designee.

#### **IV. Cash Flow**

The cash flow process is initiated following registration of the contract by the Office of the Comptroller. MOCJ is unable to release funds or reimburse an organization for any expenses incurred for the provision of services until the contract is registered.

Upon registration, the Fiscal Unit may issue an advance up to 25% of the total contract, at the request of the contractor and in accordance with contract terms. The contractor must provide an advance memorandum and copy of fidelity bond for the approved advance amount to the Contract Staff who will then submit these documents to the Fiscal Analyst for payment. A Payment Request-Commodity Encumbrance (PRC2) document is generated upon receipt of these documents from the Contract Staff. The advance will be recovered against fiscal cost reports submitted starting in January of each fiscal year earlier, depending upon the terms upon which MOCJ and the contractor mutually agree.

#### **V. Disbursements**

Disbursements, except those from petty cash funds and payment with the Organization's corporate credit card, should be made by check or online bank transfer. Contractors should adhere to the following control functions when handling MOCJ disbursements:

- The task of approving vouchers, preparing checks or online bank transfers and recording disbursements should be handled by different staff members.
- Those that process disbursements should not have duties related to cash receipts or the reconciliation of bank accounts.
- Vouchers payable should be established for each payment and recorded accurately and promptly.
- Payments should be made only after the original voucher and all relevant documentation has been approved.
- To prevent any duplicate entries, fiscal cost reports should be stamped.
- Receipts for items purchased with corporate credit cards must be attached to credit card statements and retained. Confirmation receipts printed from online purchases must also be retained.
- A periodic review of vouchers should be made by an authorized fiscal manager to determine that all processing steps are being followed properly.

Comparative reasonable procedures should be developed for proper accountability and segregation of duties in handling disbursements in case a contractor is unable to comply with the above internal control functions.

**SECTION THREE**

**PURCHASING PROCEDURES**

## **GENERAL PROCUREMENT POLICIES**

The organization is accountable for ordering, receiving, inspecting and accepting merchandise. All procurements of goods and/or services must, as well as the related fiscal cost reports, bills, receipts, etc. be conducted under contractor's name and address but *never* under the following:

- The Mayor's Office of Criminal Justice
- The Mayor's Office officials and/or employees
- The City of New York

All expenditures must comply with applicable laws and contract regulations, and are subject to audit.

### **I. Purchasing Requirements/Competitive Bidding**

In order to include all qualified vendors in a fair competing process, all vendors must adhere to the open competitive bidding requirements for procurements of goods and services, including the rental and/or leasing of equipment.

Contractor shall retain records which detail the method of procurement, the basis for selection or rejection of a contractor, consultant or supplier and the basis for the contract price. If federal or State Laws require procurement methods other than those set forth herein, then Contractor shall also comply with such procurement methods.

Contractor must solicit and document at least three (3) written estimates for any payment made or obligation undertaken in connection with this Agreement for any purchase of goods, supplies, or services (including but not limited to consulting services) for amounts in excess of \$25,000. The monetary threshold applies to payments made or obligations undertaken in the course of a one (1) year period with respect to any one (1) person or entity. Payments made or obligations undertaken will not be artificially divided in order to avoid the requirements of this paragraph.

For any payment made or obligation undertaken in connection with this Agreement for any purchase of goods, supplies, or services (including but not limited to consulting services) for amounts between \$5,000 and \$25,000, Contractor shall conduct sufficient market research and/or competition to support its determination that the price of such purchased goods, supplies, services or equipment is reasonable. The monetary thresholds apply to payments made or obligations undertaken in the course of a one (1) year period with respect to any one (1) person or entity. Payments made or obligations undertaken will not be artificially divided in order to avoid the requirements of this paragraph.



The City may retain the services of a Group Purchasing Organization (GPO) to facilitate the purchase of supplies or other items. If the City retains such a GPO, the Department may direct Contractor to utilize the services of such GPO. If the Contractor is directed by the Department to use the GPO, Paragraph B shall not apply and the procurement requirements will be satisfied met through the use of the GPO.

## **II. Inventory**

An inventory control decal must be placed on all furniture and equipment purchased with MOCJ funds by contractors. A record of annual physical inventory must include the date of the last review.

## **III. Relinquishment or Disposal of Equipment**

If so directed by the Department, title to all equipment or other property purchased at a price in excess of \$5,000 with funds obtained through this Agreement shall be in the name of the City of New York. Contractor shall properly maintain and keep in good repair all equipment acquired with funds obtained through this Agreement. Any fixed assets that are deemed unrepairable or obsolete, the contractor shall dispose of such equipment in the manner provided in the Fiscal Manual or as otherwise directed by the Department, and shall maintain detailed records concerning such dispositions (e.g. Signed letters for equipment donations or salvaged items). At the Department's request, Contractor must execute a UCC-1 to evidence the Department's interest in equipment purchased at a price in excess of \$25,000 and to enable the Department to perfect that interest by filing or otherwise.

**SECTION FOUR**

**FISCAL COST REPORT SUMMARY**

## **FISCAL COST REPORT SUMMARY OVERVIEW**

MOCJ uses the Financial Management System (FMS) to process PRC2 documents to reimburse contractors for program expenditures. A Fiscal Analyst analyzes the information provided by the vendor to determine whether the expenses submitted are appropriate for its contracted services and comply with the approved budget and/or performance-based/outcome-based contract terms and deliverables. From this analysis, MOCJ determines the reimbursement amount.

### **I. HHS Accelerator**

HHS Accelerator is an online-system designed to improve the City's contracting process. The System provides centralized access to the City's Human Service funding opportunities and the ability to complete financial transactions. When prompted by the assigned Contract Staff, Vendors using HHS Accelerator for financial transactions will upload budget in a timely manner and submit invoices in accordance with the applicable contract. For technical issues with HHS Accelerator please contact [info@hhsaccelerator.nyc.gov](mailto:info@hhsaccelerator.nyc.gov). For additional resources please visit [www.nyc.gov/hhsaccelerator](http://www.nyc.gov/hhsaccelerator).

### **II. Contracts**

A fiscal cost report is required for all contracts. Contractors must submit their fiscal cost reports within the timeframe set forth in the contract and in accordance with the approved line-item budget and/or performance-based/outcome-based contract terms and deliverables.

### **III. Voucher Processing**

#### ***a. Fiscal Cost Report Submission***

All fiscal cost reports must be submitted on official letterhead and must display the organization's name, clearly indicate the name of the program(s) for which reimbursement is being sought, identify the line-item, goods or service requiring reimbursement, the timeframe [month(s) or quarter(s)], and contain an original signature by an authorized agent requesting reimbursement.

The fiscal cost report should be submitted to the Contract Staff overseeing the program must conform to the negotiated terms and deliverables or line-item budget contained within the executed contract in order to be accepted and processed for payment. The Contract Staff reviews the fiscal cost report to determine whether expenses are appropriate, are within the scope of the contract, and are in compliance with MOCJ's policy and procedures. Expenditures for items neither budgeted nor allowable under

Federal, State and City guidelines will not be reimbursed. The contractor will be notified by a Fiscal Analyst or Contract Staff, of any disallowed expenses by e-mail. If the fiscal cost report contains a material deficiency, the Contract Staff will contact the authorized agency contact and request modifications prior to submission to the Fiscal Unit for payment processing.

***b. Fiscal Cost Report Reimbursement***

Contract staff will make every effort to review and process the Fiscal Cost Report within 15 days of receipt, subject to verification, and agrees to pay the vendor for work indicated, subject to the terms and conditions of the contract

The Contract staff will forward the Fiscal Cost Report to the Fiscal Analyst to approve the submitted voucher. A payment voucher is processed when the Fiscal Analyst approves the submitted voucher. It can take approximately 5-7 business days for an Electronic Funds Transfer (EFT) number to be generated to the vendor's bank.

**IV. Advances**

An advance of up to 25% of the grant can be issued when a contract is registered, at the request of the contractor and in accordance with the contract terms. The vendor must submit an advance memorandum requesting said advance and a copy of the Fidelity Bond to the MOCJ Contract Staff. Upon receipt of these documents, the Fiscal Unit will process the advance.

**V. Interest**

Any interest earned on funds provided by MOCJ must be accounted for and returned to MOCJ within 90 days of the termination of the agreement.

**VI. Payment Information Tracking**

Contractors may track all payments made through any NYC Agency and update their vendor information (address, telephone numbers, contact info, etc.) by using the City of New York Payee Information Portal (PIP). The PIP website address is: <https://a127-pip.nyc.gov>.

**VII. Electronic Financial Transfers/Direct Deposit**

The NYC Department of Finance mandates that all contractors with contracts over \$25,000, participate in the EFT- Direct Deposit Program.

Beginning on January 1, 2011 the City of New York began charging a \$3.50 fee per paper check and periodically deducting the fees owed by the paper check recipient from future payments. This fee, authorized under the Rules of the City of New York – Title 19, Department of Finance, section 9-01 of Chapter 9, is to cover the costs related to the processing of paper checks, drafts or similar paper instruments, written for payments issued through the City’s financial management system and to encourage greater use of Electronic Fund Transfer (EFT) by those receiving payments from the City of New York.

In order to avoid being assessed the paper check fee, contractors are encouraged to sign up for EFT at the Department of Finance, Vendor Payment Direct Deposit Program enrollment page at: [http://www.nyc.gov/html/dof/html/business/vendors\\_eft.shtml](http://www.nyc.gov/html/dof/html/business/vendors_eft.shtml)

**SECTION FIVE**

**YEAR END CLOSE OUT**

## **YEAR END CLOSE OUT**

### **I. Contract Term**

The contractors must perform all contract services within the contracted operating period. In addition, all invoices for goods and services subcontracted through this agreement must also reflect an invoice date prior to last of the contracted operating period. Any expenditure made for goods and services which are dated **after** the last day of the contract/budget period as set forth in the executed agreement will NOT be accepted as an authorized expenditure unless authorized in executed amendment extension of time. In addition, expenditures made for goods or services which are dated **before** the first day of the contract/budget period as set forth in the executed agreement will NOT be accepted as an authorized expenditure.

### **II. Deadline for Submission of Fiscal Cost Reports**

The deadline for submission of any final fiscal cost reports is no later than thirty (30) days after the end date of the budget operating period. Submission for contracts ending on June 30<sup>th</sup>, must be submitted on or before July 31st. Failure to meet this deadline may result in delays toward the contract processing of the next fiscal year.

Any remaining balance of funds that are not utilized cannot be rolled over toward the subsequent fiscal year/contract term. The balance will be forfeited and returned to the General Fund.

### **III. Refunds Due**

Any balance of funds issued by MOCJ and not accounted for by an approved expenditure must be refunded to MOCJ. All refund checks should be made payable to the “The City of New York” and should be mailed to:

The Mayor’s Office of Criminal Justice  
1 Centre Street, Room 1012N  
New York, New York 10007

### **IV. VENDEX Performance Evaluation**

MOCJ will conduct on-going assessments of vendors’ fiscal and programmatic performance. This assessment will be rated and reported on the City of New York’s VENDEX System. The financial portion of each rating is based upon an organization’s ability to submit timely and accurate expenditure reports, in compliance with the contract terms. In addition, an evaluation of the organization’s ability to maintain financial books and records in accordance with generally

accepted accounting procedures may be conducted. This evaluation will assess the organization's capacity to maintain an internal control structure with reasonable assurances that its assets are safeguarded against loss or misuse. Contractors found to be deficient in the conduct of their financial duties may receive poor VENDEX ratings.

#### **V. Programmatic Site Visits**

As part of the year end close out, MOCJ will conduct a site visit to ensure vendor compliance with the terms of agreement stipulated in the contract. Vendors may be asked to produce documents and discuss programmatic concerns among other things before, during, or following a site visit. Performance evaluations shall include periodic site visits and interviews with clients and staff. The results of the site visits shall be summarized and made a part of the evaluation report.



**SECTION SIX**

**FISCAL FIELD REVIEWS**

## **AUDIT REQUIREMENTS**

All CBOs are required to comply with all applicable City, State and Federal regulations with respect to required filings.

### **I. New York State Audit Requirements - Nonprofit Revitalization Act of 2013**

The Nonprofit Revitalization Act of 2013 amended the thresholds required for an audit.

After July 1, 2014, organizations with gross revenues less than \$250,000 are not required to have a Certified Public Accountant (CPA) Audit or CPA Review performed. These organizations are required to file an unaudited financial report.

During the period July 1, 2014 through June 30, 2017, organizations with gross revenues more than \$500,000 are required to have a CPA Audit performed. The gross revenues threshold requiring a CPA Audit will increase to more than \$750,000 during the period July 1, 2017 through June 30, 2021. After June 30, 2021, the gross revenues threshold for organizations required to undergo a CPA Audit will increase to more than \$1,000,000.

Those organizations with gross revenues over \$250,000, but under the above gross revenue thresholds, are required to have a CPA Review performed.

### **II. A-133 Federal Audit Requirements**

The U.S. Office of Management and Budget (OMB) has issued Circular A-133, Audits of State, Local Governments, and Nonprofit Organizations, which requires nonprofits spending more than \$500,000 per year in total federal funding to have an audit performed. This audit is required even if the federal money you receive is passed through another agency. For CBOs with fiscal years beginning on or after December 26, 2014, the \$500,000 limit will rise to \$750,000.

### **III. Fiscal Field Review**

All MOCJ awards are subject to a fiscal field review. When subjected to the field review, vendors will be required to provide MOCJ inspectors with the following documents:

#### ***a. Preliminary Documentation***

- **Independent CPA Audit or CPA Review or Unaudited Financial Statements**  
**(as required by the New York State Nonprofit Revitalization Act of 2013):**

These documents are used to review findings, if applicable, and to identify weaknesses pertaining to the internal control of the organization.

- Organizational Manual: The Organizational Manual provides information on the policies and procedures of the grantee. They include hiring policies, purchasing, timesheet procedures, and vacation time earned.
- General Ledger : A sample of the organization's general ledger will be reviewed to determine if expenditures match fiscal cost reports or the percentage charged to the contract.
- Accounting of Interest Income: In certain cases, a percentage of the contract is provided at the beginning of the fiscal year through an authorized advance. An analysis of the interest income determines whether the advance was used towards the MOCJ funded program(s) and whether interest has been recorded. If interest is accrued, then it is recouped by MOCJ.

***b. Personnel***

The Fiscal Field Review encompasses a review of personnel files associated with the MOCJ funded program(s). If a contract funds a large number of employees, a sample of ten to twelve files are collected. The following personnel-based information is reviewed:

- Hiring Documents and Current Job Title: Fiscal Analyst will review documents to ensure that personnel salaries are in accordance with market rates
- Performance Evaluations: Fiscal Analysts will determine if personnel perform in accordance with the standards and expectations set forth in the contractors organizational manual
- Payroll Register: Payroll registers are review to ensure that the employee under review is listed, and listed appropriately, on the payroll register. Salary expenditures are compared from the payroll register to the general ledger and to the monthly expenditure report to determine if the amount agreeable.

- Cancelled Payroll Checks: Samples of cancelled payroll checks are collected to compare endorsements and to compare signatures with personnel file.
- W-2 forms Samples of W-2 forms are collected and compared employee personnel files to ensure that employee salaries are in accordance.
- Timesheets Samples of timesheets (electronic or manual) are collected and reviewed to see if proper timekeeping methods are being implemented and all timesheets contain the necessary signatures as well as time allocation.
- Attendance/Leave Request Forms Sample attendance and leave request forms are collected to ensure that the forms and timesheet records correlate.
- Payroll Tax Documents: Cancelled checks and other documents are compared with the contractors tax return to confirm that payroll taxes are filed in a timely manner.
- Tax Forms: Various tax forms are reviewed and utilized to determine that employees have been paid in accordance with other relevant personnel and payroll documents.

***c. Fringe Benefits***

The Fiscal Analyst will review documents to determine the manner in which contractors allocate fringe benefits. An analysis of the percentage of fringe will be conducted to ensure that it is in compliance with City policies and regulations. Documents reviewed include:

- Fiscal cost report cancelled checks
- Health, Insurance, Disability and Dental Benefit documents
- Worker's Compensation documents

***d. Other Than Personnel Services (OTPS)***

The Fiscal Analyst will review a sample of ten to twenty original fiscal cost reports and cancelled checks with substantial expenses. The Fiscal Analyst will determine if costs are being properly attributed to the program(s) funded by MOCJ. In certain cases, where additional inspection is required, the Fiscal Analyst will also review the following items:

- 1099 forms: Fiscal Analysts will collect and review a sample of non-corporate consultant documents earning more than \$600 for the calendar year. If required, consultant contract(s) will also be reviewed.
- Bids: Bids for equipment purchases over \$500 will be reviewed to ensure compliance with bidding procedures.
- Petty Cash: Petty cash is examined to ensure compliance with internal controls regarding recording and to ensure that they are in accordance with business expenses attributed to the MOCJ funded program(s).
- Equipment Inventory: For all equipment purchased through the MOCJ funded programs(s), each item labeled for “Property of the City of New York” tags. The grantee must also provide an inventory list. The list should contain equipment location, serial numbers and costs.
- Purchasing Manual: The Purchasing Manual is reviewed to determine if contractors have been saying sales tax on purchases (Non-profit organizations should be exempt from sales tax).

If there are any discrepancies found, the Fiscal Analyst will verbally relay their findings to the contractor while on-site and the findings will be recorded at the Agency.

In addition, the Fiscal Unit is responsible for evaluating related audits and reviews performed by independent CPA. If required, the Unit will issue Corrective Action Plans in conjunction with Contract staff.