



Dear Providers,

We are writing with an update on the Indirect Cost Rate (ICR) Funding Initiative.

As you may know, the Fiscal Year 2021 (FY21) Adopted Budget was passed in the early hours of the new fiscal year, on July 1. The timing was a reflection of the difficult decisions that had to be made in light of the challenging and unprecedented COVID-19 fiscal environment. Across the board investments and funding were cut in response to the unexpected sharp decline in City revenue. The ICR Funding Initiative was not spared – budget negotiations in partnership with City Council resulted in an ICR Funding cut.

We recognize that this cut comes at a time that is also challenging for our City partners as they deliver services during COVID-19 re-opening. Additionally, we appreciate the time and resources that providers have invested over the last eight months to reallocate budget costs, establish an Accepted ICR and complete Delta Templates. We have heard from many of you about efforts to redesign financial practices and business decisions that have been based on the Initiative and the underlying Cost Manual. We understand the significance of this Initiative to your organizations and to the sector at large.

It is this understanding that has driven us to work with City Council over the past five weeks to explore opportunities to maximize ICR funding within the realities of the FY21 Adopted Budget. There are providers who have received an Accepted ICR and are on their way to amending contracts. Other providers made a calculated decision to claim the Conditional ICR so they could take more time to establish an Accepted ICR in FY21. While other providers found themselves in the Delta Template approval or sampling and testing process just as the budget cuts came into play. In an effort to recognize all of these providers and respond equitably, we have arrived at the policy outlined below.

While Fiscal Year 2020 (FY20) funding falls short of one-hundred percent, it does allow all providers who entered the claiming process in FY20 to realize additional ICR funding for FY20. It also furthers the Administration's long-standing commitment to baseline contracts at a minimum of 10% ICR. We summarize the key details below and will be following up with more information in the coming days.

- **If your organization has an Accepted ICR of 10% de minimis:**
 - City has baselined funding and is funding the full FY20 value of your amendment(s).
- **If your organization has an Accepted ICR based on Independent Accountant's Report or Negotiated ICR Agreement (NICRA):**
 - City is funding 60% of the FY20 value of your amendment(s), but not less than a 10% ICR value.
- **If your organization has an Accepted Conditional ICR:**
 - City is funding 60% of the FY20 value of your amendment(s), but not less than a 10% ICR value and provided that your organization receives an Accepted ICR, pursuant to FY21 timeline and guidance.
- **If your organization's Delta Template review was in-process, as of June 30:**
 - City initially extended deadline to July 15 for Accepted ICR and Delta Template.
 - Final extension available until August 19, 2020 to be eligible for FY20 investment. Please contact City Implementation Team (CIT) immediately if you have any questions about outstanding revisions. We cannot extend the deadline for final, accurate revisions past August 19 – failure to meet the August 19 deadline will void a provider's FY20 application and they will need to submit a new Entryway Choice Form for FY21 processing.
 - City is funding 60% of your FY20 amendment value(s), but not less than a 10% ICR value.

You may have questions about pending budget modifications, contract amendments and RFP responses. We will be providing more detailed guidance to providers in the coming days and are supporting agencies with implementation, as well. We will also be reconvening our Provider Workgroup, along with City Council representation, to establish an FY21 ICR Funding policy and will report back with updates. In the meantime, please do not hesitate to reach out with any questions to CIT@mocs.nyc.gov.

Sincerely,
The City Implementation Team

Update on COVID-19 Testing:

All New Yorkers can now get tested for COVID-19! It's FREE, confidential and available at a location near you. Go to [NYC.Gov/COVIDTest](https://nyc.gov/covidtest) to find a convenient testing site today. [#FightCOVIDNYC](https://twitter.com/FightCOVIDNYC).