Department for the Aging

Fiscal Management Manual

August-05

CITY OF NEW YORK
DEPARTMENT FOR THE AGING
FISCAL MANAGEMENT MANUAL

REVISION CONTROL SHEET

Revision Number	Date of Revision	Chapters Included

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Foreword

August 2005

Dear Colleague:

I am pleased to present the Department for the Aging's updated Contract Agency Fiscal Management Manual. It is a reference tool for all who are involved in managing DFTA's community service contracts. We have strived to be comprehensive, covering general topics such as management controls and taxation as well as DFTA's own requirements. As well as changes to our program operations since the last manual was issued.

This manual is designed for ease of revision. We hope that as you use the manual in your work, you will alert us to any gaps, errors or inconsistencies and share your ideas for improving or streamlining current procedures.

I would like to thank all the DFTA staff and the consultants who helped revise this manual. We see this as a vehicle to help us do a better job of managing shrinking public resources and welcome your suggestions for further improvement.

Sincerely,

Edwin Méndez – Santiago
Commissioner

1. Introduction

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1.1. Introduction

The City of New York Department for the Aging Contract Agency Fiscal Management Manual is a reference document. The purpose of this manual is to assist personnel in properly carrying out their duties and fulfilling their responsibilities. The manual provides an overview of the major financial management practices of the contract agency and describes the policies, procedures, forms and other tools which are required for effective operations.

This Fiscal Management Manual replaces the Fiscal Management Manual distributed in 1995 by the Department for the Aging.

1.2. Organization of Manual

This manual has been organized for ease of use. The page and exhibit numbering scheme is flexible and allows for inserting, changing or deleting pages, chapters and sections.

1.3. How to Use the Manual

This manual is set up by fiscal area and allows each chapter to be separate from the others. One chapter may refer the reader to other chapters or sections within this manual.

1.4. Update Procedures

The manual is maintained in loose-leaf binders to facilitate the removal and insertion of pages periodic revision.

Manual revisions consist of additions of new procedures, changes to existing procedures or deletions of procedures that no longer apply. Revisions, additions or changes will comply with the appropriate section numbering scheme described in subsequent chapters and must be inserted appropriately. Deleted procedures are simply removed. When changes are made, an explanatory memorandum accompanies the replacement page(s) for distribution to the Manual. The Revision Control Sheet (placed in the front of this manual) assists the holder of this manual, managers and supervisors, in maintaining a record of all revision updates made to the Manual.

Sequentially numbered revision memoranda will specify instructions for page removal and insertion. Upon receipt of each revision memorandum, the person responsible for maintaining the Manual writes his or her initials in the space following the appropriate revision number on the Revision Control Sheet. A break in the continuity of revision memoranda received will indicate missing revisions. Missing revisions can be obtained from the Contract Accounting Unit at the Department for the Aging which is responsible for the Manual maintenance and updating.

All users of this manual are responsible for maintaining it on a current basis.

1.5. Who to Call with Questions

1. For Program Matters - Contact your Program Officer
2. For Budget Matters-Contact your Budget Analyst
3. For Accounting Issues – Contact the Director of Contract Accounting at (212) 442-1006
4. For the names and phone numbers of Program Officers, Budget Analysts, and other matters you may also use our website, http://www.nyc.gov/aging

1.6. User Comments

DFTA invites you to share your comments and suggestions to make this manual as easy to use as possible. Please let us know how this manual could be more useful and about any errors or missing information in the manual.

To send us your comments or suggestions, please fill out the enclosed form and send it to us at the following address:

Controller
Department for the Aging
City of New York
2 Lafayette Street, 9th Floor
New York, NY 10007-1392

or fax the form to us at (212) 442-1330 or 1027.

We sincerely appreciate your comments and suggestions.

User Comments Form

NYC DEPARTMENT FOR THE AGING

FISCAL MANAGEMENT MANUAL

We at DFTA would like to hear from you regarding your comments and suggestions. Please address this form to:

Controller
Department for the Aging
City of New York
2 Lafayette Street, 9th Floor
New York, New York 10007-1392

or fax the form to us at **(212) 442-1027 or (212) 442-1330.**

Please indicate the information below:

Fiscal Management Manual Release Date: August 2005

Your Name: _____

Agency: _____

Address: _____

_____

City: _____ **State:** _____ **Zip:** _____

Phone: _____ **Fax:** _____

Comments or Suggestions: (please include page number or chapter number)

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2. Budget Management

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2.1. Introduction

2.1.1. Purpose of the Budget

The program budget provides two major functions in contract management: Planning and Control.

- **Planning** – The budget is the basic tool for allocating available resources to most efficiently and effectively achieve program objectives. It summarizes the decisions made by the contract agency and DFTA regarding the staff to be employed and the other resources to be purchased in order to produce the services specified in the contract. The budget projects what funds will be used to deliver various groups of contracted services, by splitting all available funds into Cost Centers
- **Control** – The budget is the basic guide for monitoring expenditures to insure compliance with the contract and restrictions imposed on the various funding streams by their donors. Contract agencies should monitor expenditures on a regular basis to insure that spending is in accordance with available contract funds. This includes monitoring spending in specific cost centers, such as Congregate Meals and Education/Recreation, and specific budget lines, to ensure that costs do not exceed the funds allocation. <u>In cases where contractors exceed their DFTA contracted budgets the sponsors must be ready to provide supporting documentation i.e. invoices and cancelled checks to prove that current Fiscal Year funds were not used to pay for prior year expenses.</u>

2.1.2 Outline for Preparing a Budget

In preparing a budget for a DFTA program (either for the first time or on a continuing program) a contract agency should utilize the following general outline.

1. Utilize DFTA prescribed budget format (See sample budget at the end of this Section).
2. Personnel Expenses:
   - Salaries and Wages – detailed listing by job position, name of employee, number of hours, hourly rate/annual rate, % of time expended on different functions.
   - Fringe Benefits – Prescribed rate applied to budgeted salaries (Consider effect for part time employees).
   - Does personnel match the anticipated program operations?

3. Other than Personnel Expenses (OTPS):
   - Consultants – what program services are we planning that would involve the use of a consultant and what hourly or fixed fees will that consultant charge?
   - Vehicles – What are the costs associated with operating vehicles in the program? For example, what are the maintenance, fuel, insurance, garage costs?
   - Equipment Rental – What equipment rental or leasing contracts will be used on a monthly basis?
   - Travel – What changes, if any, are anticipated in local travel expenses?
   - Rent – What is the lease agreement amount for the upcoming year. Does lease contain any escalation clauses?
   - Utilities and Other Occupancy Costs (Electricity, Gas & Other Utilities, Various Related Contracts):
     - Will there be any changes in operations?
     - Any other changes in space requirements?
   - Communication:
     - Are we adding/deleting telephones, faxes, internet access, postal services due to any changes in program operations?
     - What are current monthly costs and have those monthly costs increased significantly over recent years?
   - Printing and Supplies – What changes, if any, are anticipated in printing and supplies?
   - Raw/Catered Food and Disposables:
     - Determine the number of seniors to be served and type of meal service to be provided.
     - Determine, with consideration of food service staff, the cost per meal either to be prepared in house or catered by vendor.
   - Other – Are there any other changes in the program that will generate additional costs?

2.2. Budget Categories

2.2.1. Revenue Categories

Each contracted program is usually supported by several sources of funding, each of which is an integral part of the budget. An increase or decrease in any one of these revenue categories requires an amendment to the original contract. The basic revenue categories include:

- **Grant Funds** – Each contract is funded principally from one or more Federal, State or City grant programs. Each grant program defines the overall service goals and priorities and specifies reimbursable and non-reimbursable expenditures, local match requirements, participant contribution policies and other program standards.
- **Income from Participant Contributions and Fees (for homecare)** – Recipients of services from DFTA-funded programs are given the opportunity to contribute voluntarily toward the cost of the service. These funds are used to increase and enhance activities and services provided by the program. Homecare services also involve mandatory fees based on a financial assessment of the individual client.
- **Matching Resources/Rent-In-Kind** – If matching resources for rent are made a part of a specific contract they must be considered as an integral part of the program budget.

The budget reflects proposed services and annual revenues available to the program. The budget period covered generally follows the City's fiscal year, July 1 – June 30. In most cases, where funds are ongoing, DFTA contracts with agencies for up to three years with an option to renew for up to three years. After the contract period, a Request for Proposal (RFP) is issued. Regardless of the length of the contract, the budget is developed for one year and the funds must be spent within the budget fiscal year.

2.2.2. Line Item Expenditure Categories

Personnel – includes Salaries, Fringe Benefits (FICA and Unemployment Insurance) and Insurance (Non-Central or Central). Central Insurance is calculated but the total cost is removed and paid centrally by DFTA.

OTPS includes:

Consultant (Independent Contractor) – is a sole proprietor for whom the service recipient has no federal tax or withholding obligations because there is no employment relationship present according to statutory, common law or regulatory tests. The consultant does not require supervision from the contracting agency or DFTA. In addition to on-site services, this category includes the purchase of centralized services, e.g., computer services, bookkeeping and/or payroll services.

Vehicles – includes all costs associated with operating a vehicle in the service of the program and/or participants. Costs include insurance fuel, maintenance, garage, etc.

Equipment Rental – relates to any equipment rental or leasing contracts that a contracting agency pays on a monthly basis.

Travel – covers the transportation costs (carfare) of program staff and participants.

> **Staff Travel** – allows for travel expenses incurred by staff members while working in behalf of the program. Public transportation should be used wherever possible. Staff travel does not include commuting expenses for staff, nor out-of-town travel except when prior approval is granted in writing by DFTA.
>
> **Participant/Client Travel –** includes bus trips and miscellaneous travel expenses for emergencies incurred by participants in connection with the program. Public transportation should be used when possible. This category also includes "Purchase of Service" agreements for taxis or car service.

Occupancy – includes rent, utilities and other costs associated with the space used for program operations.

> **Rent –** Actual cash expenditures for rental of space for program operations. Rent increases require prior approval from DFTA. In the case of related party lease agreements, the Agency is required to calculate a usage charge (See 6.3 for details on calculation of usage charge) in lieu of claiming actual cash expenditures for rent.

Utilities – actual utility costs paid to an outside utility provider. Any utility costs paid to a related party must be budgeted under rent as part of the usage charge calculation. Utilities include Electricity, Gas, Heating Oil and Water/Sewer expenses.

Other Occupancy – all other occupancy cost items belong in the other occupancy category; such as Janitorial Services, Maintenance, Security, Extermination, HVAC, Elevator Maintenance, Insulation/exhaust, Fire Extinguisher and License/Permit expenses.

Communications – includes telephone, postal, internet charges and fax expense.

Printing and Supplies – items are considered supplies if the cost is less than $1,000 for an individual item or for a set of like items with a useful life of less than one year.

Printing – the cost of printing stationary, brochures, forms, duplicating newsletters, flyers, bank charges, photocopy costs and other office supply costs.

Recreational and Educational Supplies – craft supplies, games, books, records, subscriptions to periodicals and newspapers, film rental, and theater tickets.

Raw Food/Disposables – details the number of congregate and/or home delivered meals contracted for and the cost per meal. This section is not to be used for catered meals. Only American grown food with the exception of coffee and bananas is allowable for reimbursement under the United States Department of Agriculture (USDA) Cash-in-Lieu Program. Disposables include household supplies such as cleaning supplies, plastic and paper disposables and replaceable household items such as flatware and salt and pepper shakers.

Meal Preparation Only – (only applies to those programs that prepare food for another contracted program).

Catered Food/Disposables – this category is for those programs that have meals catered by either commercial caterers or a non-profit agency. Catered contracts may include cost of disposables and delivery. Catering contracts must be secured annually through competitive bidding. A minimum of three bids is required for audit purposes and the lowest bidder must be selected.

Program Insurance Costs – this category is for programs with private insurance (Non-Central). Includes expenses for general liability, fidelity bonding, property, fire or burglary insurance. (Refer to Section 6 of the Manual)

Other Expenses – includes all expenses not covered under other categories such as minor repairs, etc.

2.2.3. Equipment and Renovations

Funds for Equipment and/or Renovations (see 2.4.2 for description) are separate from the Line Item Budget Categories.

2.2.4. One-Time Payments

Funds for One-Time Payments are separate from the Line Item Budget Categories.

2.2.5. Cost Centers

Cost Centers are groups of services and funding in which line item categories must be allocated. These categories can consist of a single service or a group of services. Cost Centers can be viewed as mini budgets within the larger budget.

Spending can not exceed funding available within the specific Cost Center. Funds can not be transferred between Cost Centers without prior written approval from DFTA. Please note that towards the end of the fiscal year funds might not be available for this operation.

The following is specific information relating to the Cost Centers:

Congregate Meals (CML) – includes Congregate Breakfast, Congregate Lunch, Congregate Weekend Meals and Meal Preparation.

Home Delivered Meals (HML) – includes Home Delivered Meals and Alternative Home Delivered Meals.

Transportation (TRP) – Transportation services.

Education & Recreation (EDR) – includes Health Promotion, Education & Recreation, Nutrition Education.

Information and Assistance Services (IAS) – includes Case Assistance, Counseling, Information, Social Adult Day Care, Escort, Shopping Assistance/Chore, Telephone Reassurance, Friendly Visiting, nutrition Counseling, Heavy Cleaning.

Housekeeping (HCH) (*)- Housekeeping services.

Homemaking/Personal Care (HPC) (*) – includes Homemaker/ Personal Care and Emergency Homemaker Services.

Case Management (CMG) (*) – includes Case Management Services provided through state and city funding.

Special Contracts (SPS) – includes Intergenerational Contracts, NORCs Contracts, Legal Services Contracts (*), Administrative Contracts for City Meals On Wheels Programs, Long Term Care Ombudsman Contracts, Social Adult Day Services Contracts, Interagency Council Contracts, CSI Contracts, Home Sharing Contracts, Elder Abuse Contracts, Extended Services Contracts.

Caregiver Services (CRG) – includes all services included in the caregivers contracts (Caregiver Services, Group Respite, Individual Respite, Respite Care etc).

(*) These services are unit cost reimbursable. (See chapter 11).

2.2.6. Administrative Costs

The Budget format allows the sponsor or program Director to allocate certain administrative costs (for example, bookkeeper or accountant services or data processing), to an "Administration" column. These costs are later distributed (in the Summary of Resources) to the service cost centers in proportion to their relative share in all other allocated costs. Administrative costs directly allocable to a program should not be confused with Indirect Costs which are overhead costs incurred by the sponsor agency which are not directly allocable to individual program operations (see Chapter 8.)

2.2.7. Summary of Resources

All line item categories and cost centers are summarized at the end of the budget. The summary includes match as well as grant funds and participant income. In addition, the summary reflects the allocation of administrative costs identified within specific line item categories to cost centers. The summary of resources also includes a resource analysis which summarizes the budgeted funding and calculates the amount reimbursable to the program after match, income and central insurance are deducted.

2.3. Budget Process

As stated earlier (2.2.1), contracts may range up to three years but budgets are annual amounts. Article 5, Section 5.03 of the Standard Service Contract states that "Unexpended public funds from one City Fiscal Year cannot be applied to a subsequent City Fiscal Year." Procurement Policy Board (PPB) rules require that all contracts are subject to open competition on a regular basis. The only exceptions are for specific allocations made by elected officials. These contracts are on a year-to-year basis.

Award of contract – generally multi-year contracts are awarded for three years with an option to renew for an additional three years. After an agency is selected through a Request for Proposal (RFP) process, it is necessary for them to negotiate the final budget with DFTA staff. Sponsors need to submit a budget proposal with funds allocated by line item and cost center for each site. The dollar amount of the budget cannot exceed the amount in the proposal but the details may change. At this time, a multi-year contract will be developed.

Continuation into second and third year of contract of the initial term of the contract:

- No new contract to be signed or registered.
- Contracted services and annual funding remain the same unless subsequently amended.
- Initial Budgets are sent to the providers at the beginning of the new fiscal year with funds allocated to individual line items, cost centers and sites. Any corrections to the initial budgets should be returned to DFTA within three weeks.
- One-time funding (City Council, etc.) is deducted from the bottom line of the annual budget. These funds are awarded one fiscal year at a time and are amended to the contract when awarded.
- Budget and invoices for the new fiscal year are mailed to the sponsor and program.

Renewal of contract – after the original contract ends, DFTA may exercise the option of renewing the contract for up to three more years or the maximum time stated in the contract.

- New contracts are required.
- Contracted services and annual funding remain the same unless subsequently amended.

- Initial Budgets are sent to the providers at the beginning of the new fiscal year with funds allocated to individual line items, cost centers and sites. See Section 2.4.1. for revision of the budget.
- One-time funding (City Council, etc.) is deducted from the bottom line of the annual budget. These funds are awarded one fiscal year at a time and are amended to the contract when awarded.

2.4. Budget Revisions and Amendments

2.4.1. Revisions

A budget revision redistributes funds among the line item categories without altering the bottom line amount. DFTA allows contract agencies to move funds among line item categories without prior approval except as specified in section 2.4.2.

2.4.2. Required DFTA Approval

Prior written approval is necessary before changes can be implemented in total cost center allocations, restricted line items, and changes in total budget for individual sites. Providers who require such changes will complete a budget modification request form (see attached form) and submit to the appropriate Fiscal Analyst for review and approval. Approved requests will be mailed with a copy of the modified budget, otherwise a justification will be sent to support the decision.

Cost Centers – transfer of funds between the cost centers requires prior written approval by DFTA,

Sites – Transfer of funds between various sites within a contract require prior written approval.

Personnel – This is a restricted line item, therefore, providers are required to submit a Budget Modification request for all permanent changes in personnel other than those approved through the City's collective bargaining. However, temporary changes funded within the budgeted amount do not require prior approval.

Equipment and Renovations – any individual item or a set of like items costing $1,000 or more. (Single items or like items costing $5,000 or more require five solicitations and three written bids. The bids are obtained at the program and are subject to audit). See Chapter 6

Out of Town Travel – Any allocation to out-of-town travel for program staff requires prior written approval.

Meal Costs – Any changes in budgeted raw food or catered meal costs require prior written approval.

Rent Increases – Any changes in the budgeted rent require prior written approval. These requests must include supporting documentation such as a new lease agreement.

Although changes to unrestricted line items within the same cost center do not require prior approval, providers will be asked to send the cumulative changes before the end of the fiscal year so these changes can be included in the initial budget for the next year.

2.4.3. Amendments

A budget amendment increases or decreases the budgeted funds, units of service or terms of the contract.

- DFTA will notify sponsor of the availability of additional funding or of the need to reduce the existing funding levels.
- Together with DFTA staff, the sponsor will determine how best to allocate the additional funding or where to reduce the budget.
- Contract and budget will be revised to reflect the change. Revised contract will require sponsor signature and seal.
- Sponsor and program will receive revised contract and budget after registration.

SAMPLE DFTA BUDGET

and

BUDGET MODIFICATION REQUEST

PAGE 1

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

I D I N F O R M A T I O N

DFTA ID: 05 SITE: 01 NAME: BEST SENIOR CENTER CONTRACT NO. 20030001052

SPONSOR ID: A20 VENDOR TYPE: CORPORATION TAX ID: 11-2223334 BUDGET: 07/01/04 TO 06/30/05

CONTACT: SMITH JOHN
TITLE: DIRECTOR
ADDRESS: 1000 MAIN STREET
NEW YORK, NY 10001
PHONE: (212) 888-5555 FAX: (212) 888-6666

MAILING ADDRESS: N/A

CONTRACT: 07/01/02 TO 06/30/05

OFFICE USE ONLY? NO

TYPE OF SITE: SPONSOR OWNED DESIGNATED SNAP SITE: NO MULTI-PURPOSE SITE: YES HRA SITE? YES

SITE OPENED ON 7/1/75
LOCATED IN CD 305

IF NYCHA, NAME OF THE PROJECT: N/A
OWNER/LANDLORD: BEST MANAGEMENT INC

HANDICAPPED ACCESS

ENTRANCE AT STREET LEVEL (NO STEPS): . . . . . YES
IF NO, HOW IS ACCESS GAINED? . . . . . N/A
DOORS AND CORRIDORS WIDE ENOUGH FOR WHEELCHAIRS: . . . YES
TOILETS ACCESSIBLE TO WHEELCHAIRS: . . . . . YES
ELEVATOR SERVICE AVAILABLE: . . . . . NO

OPERATING HOURS (EXCLUDING CITYMEALS)

	OPEN	CLOSE
MON	8:00	4:00
TUE	8:00	4:00
WED	8:00	4:00
THU	8:00	4:00
FRI	8:00	4:00
SAT	0:00	0:00
SUN	0:00	0:00

DAYS OPEN PER MONTH

JUL	23	JAN	21
AUG	21	FEB	20
SEP	22	MAR	23
OCT	17	APR	17
NOV	20	MAY	19
DEC	25	JUN	22

TOTAL FOR YEAR: 250

COMMUNITY DISTRICTS SERVED

305 310

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

I D I N F O R M A T I O N

DFTA ID: 05 SITE: 02 NAME: NUMBER ONE SENIOR CENTER CONTRACT NO.

SPONSOR ID: A20 VENDOR TYPE: CORPORATION TAX ID: 11-2223334 BUDGET: 07/01/04 TO 06/30/05

CONTACT: JONES JAMES
TITLE: DIRECTOR
ADDRESS: 1 BROADWAY MAILING ADDRESS: N/A CONTRACT: 07/01/02 TO 06/30/05
NEW YORK, NY 10001
PHONE: (212) 333-7777 FAX: (212) 333-8888

OFFICE USE ONLY? NO

TYPE OF SITE: SPONSOR LEASEDDESIGNATED SNAP SITE: NO MULTI-PURPOSE SITE: YES HRA SITE? YES

SITE OPENED ON 07/01/75 IF NYCHA, NAME OF THE PROJECT: N/A
LOCATED IN CD 315 OWNER/LANDLORD: PRIVATE INC

HANDICAPPED ACCESS

ENTRANCE AT STREET LEVEL (NO STEPS):. . . . . YES
IF NO, HOW IS ACCESS GAINED? . . . . . N/A
DOORS AND CORRIDORS WIDE ENOUGH FOR WHEELCHAIRS:. . . YES
TOILETS ACCESSIBLE TO WHEELCHAIRS:. . . . . NO
ELEVATOR SERVICE AVAILABLE: . . . . . NO

OPERATING HOURS
EXCLUDING CITYMEALS

	OPEN	CLOSE
MON	8:00	4:00
TUE	8:00	4:00
WED	8:00	4:00
THR	8:00	4:00
FRI	8:00	4:00
SAT	0:00	0:00
SUN	0:00	0:00

COMMUNITY DISTRICTS SERVED

305 310

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S E R V I C E R E L A T E D Q U E S T I O N S F O R P A S

DFTA ID: 05 01 BEST SENIOR CENTER

CONTRACT NO. 20030001052
FROM 07/01/04 TO 06/30/05

1) ASSESSMENTS OF HMDL CLIENTS ARE THE RESPONSIBILITY OF STAFF AT THIS SITE: NO

2) MEALS ARE PREPARED AT THIS SITE: YES

3) MEALS ARE PREPARED ELSEWHERE AND ARE THE RESPONSIBILITY OF THIS SITE TO SERVE ON SITE AND/OR DELIVER TO IN-HOME TO CLIENTS: NO

4) VEHICLE MAINTENANCE AND OPERATION ARE THE RESPONSIBILITY OF THIS SITE: YES

5) SITE TYPE: 1 - MEALS SERVED ON SITE

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

I D I N F O R M A T I O N

DFTA ID: 05 SITE: 02 NAME: NUMBER ONE SENIOR CENTER CONTRACT NO.

SPONSOR ID: A20 VENDOR TYPE: CORPORATION TAX ID: 11-2223334 BUDGET: 07/01/04 TO 06/30/05

CONTACT: JONES JAMES
TITLE: DIRECTOR
ADDRESS: 1 BROADWAY MAILING ADDRESS: N/A CONTRACT: 07/01/02 TO 06/30/05
NEW YORK, NY 10001
PHONE: (212) 333-7777 FAX: (212) 333-8888

OFFICE USE ONLY? NO

TYPE OF SITE: SPONSOR LEASEDDESIGNATED SNAP SITE: NO MULTI-PURPOSE SITE: YES HRA SITE? YES

SITE OPENED ON 07/01/75 IF NYCHA, NAME OF THE PROJECT: N/A
LOCATED IN CD 315 OWNER/LANDLORD: PRIVATE INC

HANDICAPPED ACCESS

ENTRANCE AT STREET LEVEL (NO STEPS):. . . . . YES
IF NO, HOW IS ACCESS GAINED? . . . . . N/A
DOORS AND CORRIDORS WIDE ENOUGH FOR WHEELCHAIRS:. . . YES
TOILETS ACCESSIBLE TO WHEELCHAIRS:. . . . . NO
ELEVATOR SERVICE AVAILABLE: . . . . . NO

OPERATING HOURS
EXCLUDING CITYMEALS

	OPEN	CLOSE
MON	8:00	4:00
TUE	8:00	4:00
WED	8:00	4:00
THR	8:00	4:00
FRI	8:00	4:00
SAT	0:00	0:00
SUN	0:00	0:00

COMMUNITY DISTRICTS SERVED

305 310

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S E R V I C E R E L A T E D Q U E S T I O N S F O R P A S

DFTA ID: 05 01 BEST SENIOR CENTER

CONTRACT NO. 20030001052
FROM 07/01/04 TO 06/30/05

1) ASSESSMENTS OF HMDL CLIENTS ARE THE RESPONSIBILITY OF STAFF AT THIS SITE: NO

2) MEALS ARE PREPARED AT THIS SITE: YES

3) MEALS ARE PREPARED ELSEWHERE AND ARE THE RESPONSIBILITY OF THIS SITE TO SERVE ON SITE AND/OR DELIVER TO IN-HOME TO CLIENTS: NO

4) VEHICLE MAINTENANCE AND OPERATION ARE THE RESPONSIBILITY OF THIS SITE: YES

5) SITE TYPE: 1 - MEALS SERVED ON SITE

PAGE 2 NEW YORK CITY REPORT DATE: 10/14/04

DEPARTMENT FOR THE AGING

S E R V I C E P L A N

DFTA ID: 05 BEST SENIOR CENTER CONTRACT NO. 20030001052

ALL SITES FROM 07/01/04 TO 06/30/05

======== SERVICES PROVIDED BY INDIVIDUAL SITES ========

SERVICES	SITE 01	SITE 02
	CNLH	CNLH
	CNWE	
	CSAS	
	CSMD	
	EDRC	EDRC
	HMDL	HMDL
	NUTE	NUTE
		TRAN

**** SEE NEXT PAGE FOR BREAKDOWN OF MEAL SERVICES ****

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S E R V I C E P L A N

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

ALL SITES

FROM 07/01/04 TO 06/30/05

========== BREAKDOWN OF MEAL UNITS ==========

		ANNUAL MEALS	MEALS PREPARED + SERVED	CATERED MEALS
SITE 01 - BEST SENIOR CENTER				
	CNLH	12500	12500	0
	CNWE	2600	2600	0
	HMDL	9500	9500	0
SITE 02 - NUMBER ONE SENIOR CENTER				
	CNLH	12500	12500	0
	HMDL	3000	3000	0

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S E R V I C E P L A N

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

ALL SITES

FROM 07/01/04 TO 06/30/05

========== BREAKDOWN OF MEAL UNITS ==========

		ANNUAL MEALS	MEALS PREPARED + SERVED	CATERED MEALS
SITE 01 - BEST SENIOR CENTER				
	CNLH	12500	12500	0
	CNWE	2600	2600	0
	HMDL	9500	9500	0
SITE 02 - NUMBER ONE SENIOR CENTER				
	CNLH	12500	12500	0
	HMDL	3000	3000	0

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

D I S T R I B U T I O N B Y C O M M U N I T Y D I S T R I C T

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

ALL SITES

FROM 07/01/04 TO 06/30/05

UNITS OF SERVICE

DISTRICTS SERVED	CNLH	CNWE	CSAS	CSMD	EDRC	HMDL	NUTE	TRAN
305	12,500	1,300	180	6	600	6,250	6	300
310	12,500	1,300	180	6	600	6,250	6	300
TTL ASSIGN UNITS	25,000	2,600	360	12	1,200	12,500	12	600
PLAN UNITS	25,000	2,600	360	12	1,200	12,500	12	600
DIFFERENCE	0	0	0	0	0	0	0	0

CLIENT COUNT

DISTRICTS SERVED	CNLH	CNWE	CSAS	CSMD	EDRC	HMDL	NUTE	TRAN
305	0	0	0	0	0	0	0	0
310	0	0	0	0	0	0	0	0
TTL ASSIGN COUNT	0	0	0	0	0	0	0	0
PLAN COUNT	100	50	100	10	100	50	50	50
DIFFERENCE	100	50	100	10	100	50	50	50

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REPORT DATE: 10/14/04

S E R V I C E P L A N

DFTA ID: 05 BEST SENIOR CENTER CONTRACT NO.

ALL SITES FROM 07/01/04 TO 06/30/05

========= MEAL TYPE AND DIETARY INFORMATION BREAKDOWN ========

		MEAL TYPE	DIET SERVED	DELIVERY TIME
SITE 01 - BEST SENIOR CENTER	CNLH	HOT	KS	
	HMDL	HOT	RR	1
SITE 02 - NUMBER ONE SENIOR CENTER	CNLH	HOT	KS	
	HMDL	HOT	RR	1

DIET CODES ARE AS FOLLOWS:

RR - REGULAR, RS - REGUALR/HIGH SODIUM, FF - 40 GRAM LOW FAT KS - KOSHER, MS - MECHANICAL SOFT, RD = REGULAR/DIABETIC DESSERT
LS - 2 GRAM LOW SODIUM, CC - 700 OR LESS CALORIES, LC - LOW CHOLESTEROL , ET - ETHNIC, OT - OTHER DIET

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

P E R S O N N E L R E P O R T

DFTA ID: 05
SITE: ALL SITES

BEST SENIOR CENTER

CONTRACT NO. 20030001052
FROM 07/01/04 TO 06/30/05

FICA RATE: 7.6500%
FICA MAX. SALARY: 87,900

CENTRAL INSURANCE RATE: 28.0000%
FULL TIME WORK WEEK: 35.0

UNEMPLOYMENT INSURANCE RATE: 4.2000%
UNEMPLOYMENT MAXIMUM SALARY: 8,500

GRANT FUNDS AND INCOME

LN # POS #	NAME POSITION	RATE HRS/WK	INS YR	SALARY	FICA + UNEMP	TOTAL	ADM	CML	EDR	HML	IAS	TRP
TOTAL FOR GRANT				210,365	20,019	230,384	88,420	69,753	11,786	30,464	20,576	9,385
	CENTRAL INSURANCE					64,504	24,757	19,530	3,300	8,529	5,761	2,627
	NON-CENTRAL INSURANCE					0	0	0	0	0	0	0
	TOTAL FOR GRANT FUNDS AND INCOME					294,888	113,177	89,283	15,086	38,993	26,337	12,012

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NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

P E R S O N N E L R E P O R T

DFTA ID: 05
SITE: ALL SITES

BEST SENIOR CENTER

CONTRACT NO. 20030001052
FROM 07/01/04 TO 06/30/05

FICA RATE: 7.6500%
FICA MAX. SALARY: 87,900

CENTRAL INSURANCE RATE: 28.0000%
FULL TIME WORK WEEK: 35.0

UNEMPLOYMENT INSURANCE RATE: 4.2000%
UNEMPLOYMENT MAXIMUM SALARY: 8,500

LN # POS #	NAME POSITION	RATE HRS/WK	INS YR	SALARY	FICA + UNEMP	TOTAL	ADM	CML	EDR	HML	IAS	TRP
				GRANT FUNDS AND INCOME								
01	J.SMITH	35,000	C									
	DIRECTOR SITE 1	35:00	N/A	35,000	3,034	38,034	19,019	7,606	3,803	3,803	3,803	0
02	J.JONES	33,000	C									
	DIRECTOR SITE 2	35:00	N/A	33,000	2,881	35,881	14,353	7,176	3,588	3,588	3,588	3,588
03	B.BROWN	25,000	C									
	BOOKKEEPER	35:00	N/A	25,000	2,269	27,269	27,269	0	0	0	0	0
04	S.WHITE	20,000	C									
	COOK SITE 1	35:00	N/A	20,000	1,887	21,887	0	16,415	0	5,472	0	0
05	J.GREENE	20,000	C									
	COOK SITE 2	25:00	N/A	14,285	1,450	15,735	0	12,588	0	3,147	0	0
06	L.SMILEY	28,000	C									
	SOCIAL WORKER	20:00	N/A	15,999	1,581	17,580	0	0	4,395	0	13,185	0
07	Y.DAYS	17,500	C									
	ASST COOK	35:00	N/A	17,500	1,696	19,196	0	14,397	0	4,799	0	0
08	B.HOLIDAY	16,000	C									
	CUSTODIAN SITE 1	35:00	N/A	16,000	1,581	17,581	17,581	0	0	0	0	0
09	M.PLAIN	16,000	C									
	CUSTODIAN SITE 2	20:00	N/A	9,142	1,056	10,198	10,198	0	0	0	0	0
10	A.GIANT	14,616	C									
	DRIVER	25:00	N/A	10,439	1,156	11,595	0	0	0	5,798	0	5,797
11	M.JAMES	14,000	C									
	KITCHEN AIDE	35:00	N/A	14,000	1,428	15,428	0	11,571	0	3,857	0	0
TOTAL FOR GRANT $				210,365	20,019	230,384	88,420	69,753	11,786	30,464	20,576	9,385

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S U M M A R Y O F I N S U R A N C E F U N D S

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

ALL SITES

FROM 07/01/04 TO 06/30/05

	GRANTS	TOTAL
CENTRAL INSURANCE	$64,504.00	64,504.00
TOTAL	$64,504.00	64,504.00

PAGE 1

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

C O N S U L T A N T S

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

SITE: 01

FROM 07/01/04 TO 06/30/05

OTPS CODE: 04

----- GRANT FUNDS AND INCOME -----

ITM	DESCRIPTION	QTY	RATE	TTL COST	ADM	CML	EDR	HML	IAS	TRP
1	ARTS AND CRAFTS	52	50.00	2,600	0	0	2,600	0	0	0
2	DANCE	26	50.00	1,300	0	0	1,300	0	0	0
SUBTOTAL FOR GRANT $				3,900	0	0	3,900	0	0	0
				3,900	0	0	3,900	0	0	0

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NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

V E H I C L E S

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

SITE: 01

FROM 07/01/04 TO 06/30/05

OTPS CODE: 05

----- GRANT FUNDS AND INCOME -----

ITM	DESCRIPTION	QTY	RATE	TTL COST	ADM	CML	EDR	HML	IAS	TRP
1	INSURANCE	1	6,000	6,000	0	0	0	0	0	6,000
2	FUEL	1	1,000	1,000	0	0	0	0	0	1,000
SUBTOTAL FOR GRANT $				7,000	0	0	0	0	0	7,000
				7,000	0	0	0	0	0	7,000

PAGE 1 NEW YORK CITY REPORT DATE: 10/14/04

DEPARTMENT FOR THE AGING

V E H I C L E I N F O R M A T I O N

DFTA ID: 05 BEST SENIOR CENTER CONTRACT NO. 20030001052

ALL SITES FROM 07/01/04 TO 06/30/05

VEHICLE # 1

OWNER/LESSOR: NUMBER ONE SR CENTER LICENSE PLATE: AB22225

YEAR: 2002 MAKE: FORD MODEL:

NUMBER OF SEATS: 12 NUMBER OF WHEELCHAIRS: 01

UMTA: SPECIAL HANDICAP DEVICES:

USES = TRANS: X MEALS: X ED/REC:

INSURANCE CARRIER: GEICO

POLICY NO. ABCDEFG EXPIRATION DATE: 12/13/05

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

T R A V E L

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

SITE: 01

FROM 07/01/04 TO 06/30/05

OTPS CODE: 07

----- GRANT FUNDS AND INCOME -----

ITM	DESCRIPTION	QTY	RATE	TTL COST	ADM	CML	EDR	HML	IAS	TRP
1	BUS TRIPS	4	500	2,000	0	0	2,000	0	0	0
SUBTOTAL FOR GRANT $				2,000	0	0	2,000	0	0	0
				2,000	0	0	2,000	0	0	0

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NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

O C C U P A N C Y C O S T S B R E A K D O W N

DFTA ID: 052 BEST SENIOR CENTER

CONTRACT NO. 20030001052
FROM 07/01/04 TO 06/30/05

ALL SITES

SITE NAME	PRICE/SQ FT.	TOTAL RATE		GRANT
	1000	10.00		
			RENT	10,000.
			ELECTRICITY	0.
			GAS	0.
			HEATING OIL	0.
			WATER/SEWER	0.
			JANITORIAL SRVC	0.
			MAINT. UNDER CONT.	1,000.
			SECURITY	0.
			EXTERMINATION	400.
			HVAC	0.
			ELEVATOR MAINTENANCE	0.
			ANSUL-EXHAUST	0.
			FIRE EXTINGUISHER	0.
			LICENSE/PERMIT	0.
SUB-TOTAL				11,400.
TOTAL				11,400.

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

O C C U P A N C Y

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

SITE: 01

FROM 07/01/04 TO 06/30/05

OTPS CODE: 08

----- GRANT FUNDS AND INCOME -----

ITM	DESCRIPTION	TTL COST	ADM	CML	EDR	HML	IAS	TRP
1		11,400	5,700	2,850	1,140	1,140	570	0
2		21,000	21,000	0	0	0	0	0
SUBTOTAL FOR GRANT $		32,400	26,700	2,850	1,140	1,140	570	0
		32,400	26,700	2,850	1,140	1,140	570	0

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

C O M M U N I C A T I O N S

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

SITE: 01

FROM 07/01/04 TO 06/30/05

OTPS CODE: 09

----- GRANT FUNDS AND INCOME -----

ITM	DESCRIPTION	QTY	RATE	TTL COST	ADM	CML	EDR	HML	IAS	TRP
1	TELEPHONE	12	100	1,200	0	252	505	252	120	71
2	POSTAGE	1	300	300	0	102	72	99	27	0
SUBTOTAL FOR GRANT $				1,500	0	354	577	351	147	71
				1,500	0	354	577	351	147	71

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NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

P R I N T I N G / S U P P L I E S

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

SITE: 01

FROM 07/01/04 TO 06/30/05

OTPS CODE: 10

----- GRANT FUNDS AND INCOME -----

ITM	DESCRIPTION	QTY	RATE	TTL COST	ADM	CML	EDR	HML	IAS	TRP
1	OFFICE SUPPLIES	1	1,000	1,000	1,000	0	0	0	0	0
2	HOUSEHOLD SUPPLIES	1	4,000	4,000	0	1,600	400	1,000	600	400
SUBTOTAL FOR GRANT $				5,000	1,000	1,600	400	1,000	600	400
				5,000	1,000	1,600	400	1,000	600	400

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DEPARTMENT FOR THE AGING

R A W F O O D C O S T S

DFTA ID: 05 BEST SENIOR CENTER CONTRACT NO. 20030001052

SITE: 01 FROM 07/01/04 TO 06/30/05

	CNLH	CNWE	HMDL
BUDGETED MEALS	25000	2600	12500
ADDITIONAL MEALS	0	0	0
GUEST MEALS	0	0	0
STAFF MEALS	0	0	0
TOTAL MEALS	25000	2600	12500
MEAL RATE	1.95	1.95	1.95
MEAL COSTS	48,750	5,070	24,375
ADDITIONAL COSTS	891	0	0
DISPOSABLE RATE	.20	.30	.30
TOTAL DISPOSABLE	5,000	780	3,750
TOTAL MEAL COSTS	54,641	5,850	28,125
RAW FOOD COSTS - GRANT FUNDS AND INCOME	54,641	5,850	28,125
RAW FOOD COSTS - OTHER FUNDS	0	0	0
RAW FOOD COSTS - BOROUGH PRESIDENT FUNDS	0	0	0
RAW FOOD COSTS - COUNCIL FUNDS	0	0	0
TOTAL	54,641	5,850	28,125
KOSHER MEALS	25000	2600	12500

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

P L A N N E D F E E S A N D C O N T R I B U T I O N S

DFTA ID: 05

NUMBER ONE SENIOR CENTER

CONTRACT NO.

SITE: ALL SITES

FROM 07/01/04 TO 06/30/05

SERV	UNITS	CONTRIBTNS	FEES	PARTICIPANT TOTAL	AVG. INCOME	STAFF/GUEST
ADMN	0	0	0	0	.00	
CNLH	25000	18,000	0	18,000	.72	0
CNWE	2600	2,600	0	2,600	1.00	0
CSAS	360	0	0	0	.00	
CSMD	12	0	0	0	.00	
EDRC	1200	0	0	0	.00	
HMDL	12500	12,000	0	12,000	.96	
NUTE	12	0	0	0	.00	
TRAN	600	900	0	900	1.50	
	SUB-TOTAL	33,500	0	33,500		0

CARRY OVER AMOUNT: 0
TOTAL PARTICIPANT AMOUNT: 33,500

PAGE 1

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

O T H E R

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

SITE: 01

FROM 07/01/04 TO 06/30/05

OTPS CODE: 18

----- GRANT FUNDS AND INCOME -----

ITM	DESCRIPTION	QTY	RATE	TTL COST	ADM	CML	EDR	HML	IAS	TRP
1	BANK CHARGES	1	200	200	200	0	0	0	0	0
2	MEMBERSHIP DUES	1	200	200	200	0	0	0	0	0
SUBTOTAL FOR GRANT $				400	400	0	0	0	0	0
				400	400	0	0	0	0	0

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S U M M A R Y O F B U D G E T S E T U P

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

INDIRECT %: .00

FROM 07/01/04 TO 06/30/05

	REIMBURSEMENT	DIRECT COSTS	INDIRECT COSTS
GRANT FUNDS	$337,700	$337,700	$0
COUNCIL FUNDS	$0	$0	$0
BOROUGH PRESIDENT FUNDS	$0	$0	$0
TOTAL	$337,700	$337,700	$0

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S U M M A R Y O F R E S O U R C E S

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

ALL SITES

FROM 07/01/04 TO 06/30/05

COST TYPE	TOTAL	GF+I ADM	GF+I CML	GF+I EDR	GF+I HML	GF+I IAS	GF+I TRP
03 PERSONNEL	294,888	113,177	89,283	15,086	38,993	26,337	12,012
04 CONSULTANTS	3,900	0	0	3,900	0	0	0
05 VEHICLES	7,000	0	0	0	0	0	7,000
07 TRAVEL	2,000	0	0	2,000	0	0	0
08 RENT	32,400	26,700	2,850	1,140	1,140	570	0
09 COMMUNICATNS	1,500	0	354	577	351	147	71
10 PRINT/SUPP	5,000	1,000	1,600	400	1,000	600	400
11 RAW FOOD	88,616	0	60,491	0	28,125	0	0
18 OTHER	400	400	0	0	0	0	0
	435,704	141,277	154,578	23,103	69,609	27,654	19,483
ADMIN PERCENT			52.50%	7.85%	23.64%	9.39%	6.62%
ALLOC OF ADMIN			74,172	11,086	33,401	13,269	9,349
TOTAL GF+I RES.	435,704		228,750	34,189	103,010	40,923	28,832

COST TYPE	TOTAL	MTCH ADM	MTCH CML	MTCH EDR	MTCH HML	MTCH IAS	MTCH TRP
03 PERSONNEL	0	0	0	0	0	0	0
04 CONSULTANTS	0	0	0	0	0	0	0
05 VEHICLES	0	0	0	0	0	0	0
07 TRAVEL	0	0	0	0	0	0	0
08 RENT	0	0	0	0	0	0	0
09 COMMUNICATNS	0	0	0	0	0	0	0
10 PRINT/SUPP	0	0	0	0	0	0	0
11 RAW FOOD	0	0	0	0	0	0	0
18 OTHER	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
ADMIN PERCENT			52.50%	7.85%	23.64%	9.39%	6.62%
ALLOC OF ADMIN			0	0	0	0	0
TOTAL MATCH RES.	0		0	0	0	0	0

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S U M M A R Y O F R E S O U R C E S

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

ALL SITES

FROM 07/01/04 TO 06/30/05

COST TYPE	TOTAL	OTH ADM	OTH CML	OTH EDR	OTH HML	OTH IAS	OTH TRP
03 PERSONNEL	0	0	0	0	0	0	0
04 CONSULTANTS	0	0	0	0	0	0	0
05 VEHICLES	0	0	0	0	0	0	0
07 TRAVEL	0	0	0	0	0	0	0
08 RENT	0	0	0	0	0	0	0
09 COMMUNICATNS	0	0	0	0	0	0	0
10 PRINT/SUPP	0	0	0	0	0	0	0
11 RAW FOOD	0	0	0	0	0	0	0
18 OTHER	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
ADMIN PERCENT			52.50%	7.85%	23.64%	9.39%	6.62%
ALLOC OF ADMIN			0	0	0	0	0
TOTAL OTHER RES.	0		0	0	0	0	0

---------- CENTRAL INSURANCE ----------

	TOTAL	ADM	CML	EDR	HML	IAS	TRP
CENTRAL INS.	64,504	24,757	19,530	3,300	8,529	5,761	2,627
INCOME CNTRL INS	0	0	0	0	0	0	0
ALLOC OF ADMIN			12,998	1,943	5,853	2,325	1,638
CENTRAL INS.	64,504		32,528	5,243	14,382	8,086	4,265

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S U M M A R Y O F R E S O U R C E S

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

ALL SITES

FROM 07/01/04 TO 06/30/05

RESOURCE ANALYSIS

	TOTAL	ADM	CML	EDR	HML	IAS	TRP
GF+I, MTCH, OTH	435,704		228,750	34,189	103,010	40,923	28,832
- OTHER	0		0	0	0	0	0
GF+I, MTCH	435,704		228,750	34,189	103,010	40,923	28,832
- MATCH	0		0	0	0	0	0
GF+I	435,704		228,750	34,189	103,010	40,923	28,832
- INCOME	33,500		20,600	0	12,000	0	900
GF	402,204		208,150	34,189	91,010	40,923	27,932
- CENTRAL INS.	64,504		32,528	5,243	14,382	8,086	4,265
- INCM CEN INS	0		0	0	0	0	0
DIRECT COSTS REIMBURSEMENT	337,700		175,623	28,946	76,628	32,837	23,666
EQUIP/RENOV ITEMS	0		0	0	0	0	0

** NOTE: INDIRECT COSTS ANALYSIS APPEARS ON A SEPARATE PAGE (PAGE 4) AT THIS TIME.

NEW YORK CITY
DEPARTMENT FOR THE AGING

REPORT DATE: 10/14/04

S U M M A R Y O F R E S O U R C E S

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

ALL SITES

FROM 07/01/04 TO 06/30/05

RESOURCE ANALYSIS

COST CENTER	DIRECT COSTS	INDIRECT COSTS	TOTAL PLANNED REIMBURSEMENT
CML	175,623	0	175,623
EDR	28,946	0	28,946
HML	76,628	0	76,628
IAS	32,837	0	32,837
TRP	23,666	0	23,666
TOTAL	337,700	0	337,700

PAGE 1

NEW YORK CITY
DEPARTMENT FOR THE AGING

DATE: 10/14/04

C O N T R A C T B U D G E T S U M M A R Y

DFTA ID: 05

BEST SENIOR CENTER

CONTRACT NO. 20030001052

ALL SITES

FROM 07/01/04 TO 06/30/05

BUDGET CATEGORY	TOTAL BUDGET
PERSONNEL	230,384
CENTRAL INSURANCE	64,504
INCOME CENTRAL INSURANCE	0
NON-CENTRAL INSURANCE	0
CONSULTANTS	3,900
EQUIPMENT RENTAL	0
TRAVEL	2,000
OCCUPANCY	32,400
COMMUNICATIONS	1,500
PRINTING/SUPPLIES	5,000
RAW FOOD	88,616
CATERED FOOD	0
VEHICLE COSTS	7,000
INSURANCE COSTS	0
OTHER EXPENSES	400
TOTAL: GRANT FUNDS, INCOME & CI	435,704
- CENTRAL INSURANCE	(64,504)
- INCOME CENTRAL INSURANCE	(0)
TOTAL: DIRECT OPERATING BUDGET	371,200
- ANTICIPATED INCOME	(33,500)
TOTAL: DIRECT COSTS	337,700
+ INDIRECT COSTS AT .00 %	0
TOTAL: REIMBURSEMENT	337,700
MATCH	0
ANTICIPATED INCOME	33,500
CENTRAL INSURANCE	64,504
INCOME CENTRAL INSURANCE	0
EQUIPMENT/RENOVATIONS	0
ONE-TIME PAYMENTS	0
CONTINGENCY	0
TOTAL: PROJECT COST	435,704

INCL. B.P.: 0 CNCL: 0

COST CENTER	SERVICE CATEGORY	UNITS
CML	CONGREGATE LUNCH	25000
CML	CONGREGATE WEEKEND MEAL	2600
HML	HOME DELIVERED MEALS	12500
EDR		1212
IAS		372
TRP		600

City of New York Department for the Aging

Provider Budget Modification Request

Complete and submit to your DFTA Budget Analyst **Site Name and Site ID#:** _____ Check for Summary page: ☐

Prepared by:_____ Name of the Organization:_____ DFTA ID:_____ Date:_____

			Cost Centers								
	Total	**Administration**	**Congregate Meals**	**Home Delivered Meals**	**Transportation**	**Education & Recreation**	**Information & Assistance**	**Case Management**	**Homemaker**	**Housekeeping**	**Other Cost Centers ***
CURRENT REIMBURSABLE BUDGET											
Changes											
PERSONNEL											
NON-CENTRAL INSURANCE											
CONSULTANTS											
VEHICLE COSTS											
EQUIPMENT RENTAL											
TRAVEL											
OCCUPANCY: RENT											
OCCUPANCY: UTILITIES											
OCCUPANCY: OTHER											
COMMUNICATIONS											
PRINTING & SUPPLIES											
RAW FOOD/DISPOSABLES											
CATERED FOOD/DISPOSABLES											
INSURANCE COSTS											
OTHER EXPENSES											
EQUIPMENT/IMPROVEMENTS											
ADMIN ALLOCATION											
MODIFIED REIMBURSABLE BUDGET											
CENTRAL INSURANCE											
CURRENT CONTRIBUTIONS											
Change in Contributions											
MODIFIED CONTRIBUTIONS											
GRAND TOTAL BUDGET											

Submit with a narrative justification of the request

** Other Cost Centers should be used for the following contracts: Caregiver, NORCS, Intergenerational, Employment, Social Adult Day Services, Elder Abuse, WRAP, CSI, Extended Services, Legal Services.*

Director:_____ _____

Name Signature

For DFTA Use Only:

Reviewed by:_____ **Approved:**_____**(see attached modified budget)**

Name

_____ **Disapproved:**_____**(see attached justification)**

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3. Accounting and Internal Control

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3.1. Introduction

All DFTA contract agencies have the responsibility to provide a full accounting of their activities and expenditures and to safeguard the public resources which they manage. This is accomplished by maintaining an effective system of record keeping and management controls.

For each of the areas covered in this chapter (i.e., Bank Reconciliations and Petty Cash) there are Internal Control Objectives and DFTA Accounting and Internal Control Requirements. The Internal Control Objectives are listed as standards. In those instances where it is not practical for a contract agency to achieve an objective, the agency should be prepared to justify why it is not. DFTA Accounting and Internal Control Requirements are specific requirements that are to be followed by each agency.

3.1.1. Accounting Records

The accounting system must include the following books and records maintained on a current basis:

- Bank Reconciliations (See Section 3.3.3.1.)
- Petty Cash Reconciliation (See Section 3.3.3.2.)
- Cash Receipts and Disbursements Journal (See Sections 3.4 and 3.5., respectively)
- Open (Unpaid) Vendor Invoice File (See Section 3.5.3.4)
- Payroll Register and Other Payroll Documentation (See Section 3.6)
- Equipment Inventory (See Section 3.7.)
- General Journal (See Chapter 4)
- General Ledger (See Chapter 4)
- Subsidiary Cost Ledgers (See Chapter 4)
- Trial Balances (See Chapter 4)
- Purchase Orders (See Chapter 6)
- Bids for Equipment/Renovations (See Chapter 6)
- All Required Tax Forms (See Chapter 7)

NOTE: The General Journal and General Ledger are optional for programs funded in amounts less than $10,000.

Refer to Chapter 4 on Bookkeeping which describes how all accounting transactions are recorded and the required journal entries that should be made.

3.2. Definition of Internal Control

Internal control comprises the environment, plans, policies, systems, and procedures established, executed, and monitored by an organization's board of directors, management, and other personnel to foster achievement of the organization's objectives in a prudent, cost-effective manner.

This definition has several implications:

- Internal control, in the broad sense, is synonymous with "management control" of an organization's resources and activities. Management is responsible for internal control even though many internal control activities are conducted at lower levels of the organization.
- Internal control is objective oriented. The reason for a control is to contribute to achieving an objective. Therefore, control designs should start with management's defined objectives. If the objective of a control is hard to identify or ambiguous, the need for the control may be questioned.
- Internal control provides reasonable, rather than absolute, assurance that defined objectives will be achieved.
- Internal control should be considered in terms of costs and benefits. A control that costs more than the value of the objective achieved is not rational and should be reconsidered. Costs are usually easier to determine than benefits, which tend to be highly subjective.

3.2.1. General Requirements for Internal Control

- No one person should handle a particular transaction from beginning to end (e.g., bookkeeper).
- All forms used in the bookkeeping and accounting process should have pre-assigned numbers in a specific sequence.
- All used or missing forms must be accounted for in the course of the day-to-day accounting process.
- Voided forms must be properly marked, canceled and filed for reference.
- Records should be reviewed periodically by someone other than the bookkeeper.
- All invoices and payrolls for payment must be approved prior to payment. Checks must have two authorized signatures.
- Totals of subsidiary records must be reconciled to control totals regularly and any differences must be investigated and resolved.
- A Trial Balance must be prepared monthly.
- Frequent comparisons of expenditures against budgets must be made to insure budgets are not overrun.
- Bank Reconciliations must be prepared monthly.
- A written and documented cost allocation plan which delineates the Agency's method of allocating costs to specific DFTA and non-DFTA programs.

3.3. Bank Reconciliations/Petty Cash

3.3.1. Introduction

This section covers procedures for preparing bank reconciliations and for establishing and controlling a petty cash fund.

3.3.2. Control Objectives For Bank Reconciliations/Petty Cash

An effective system of internal control for Bank Reconciliations/Petty Cash consists of the following control objectives:

- Bank statements are reconciled monthly to the general ledger.
- Bank reconciliations are prepared by persons independent of the cash receipts and cash disbursements functions.
- Bank reconciliations are reviewed and approved by an appropriate level of management.
- Petty cash is kept in a locked cash box in the custody of a designated employee.
- Petty cash is reconciled on a timely basis.

3.3.3. DFTA Accounting and Internal Control Requirements for Bank Reconciliation/Petty Cash

3.3.3.1. Procedures to Prepare a Bank Reconciliation

NOTE: It is no longer a requirement of DFTA agency's to maintain a separate bank account for DFTA funds. DFTA programs may utilize an agency's general operating bank account for disbursements of funds for DFTA expenditures. However, in cases where a contractor has more than one program with DFTA, separate cash balances must be maintained and reconciled with the bank statement for each program. DFTA has the sole discretion to require an Agency to have separate cash balances and separate bank accounts for each DFTA program. This is determined, by DFTA, for any Agency whose internal controls over cash and bank reconciliations are deemed inadequate by DFTA.

Acceptable procedures and internal control requirements are nevertheless necessary over the agency's Bank Reconciliations.

The term reconciliation means determining those items which make up the difference between the balance appearing on the bank statement and the balance of cash according to the depositor's records.

The balance shown on the monthly bank statement will usually not agree with the cash balance shown by the depositor's books. Certain transactions recorded by the depositor will not have been recorded by the bank. The most common examples are:

- **Outstanding checks**. These are checks issued and recorded by the depositor but not yet presented to the bank for payment.
- **Deposits in transit**. Deposits mailed to the bank are usually not entered on the bank's books until a day or two later than the entry on the depositor's book.

Bank service or printing charges may appear on the bank statement but not have been recorded by the depositor. Contractors are expected to avoid such charges. The director/sponsor should speak with the bank manager to negotiate a waiver.

By performing a bank reconciliation on a monthly basis, it is possible to determine the correct figure for cash to appear on the balance sheet. This process involves adjusting the bank and/or book balance.

The following steps are to be taken in the preparation of a bank reconciliation:

- Compare the deposits listed on the bank statement with the deposits shown in the center's records. Place check marks in the Cash Receipts and Disbursements Journal (CRDJ) (See Chapter 4) and on the bank statement besides the items which agree. Any unchecked item in the center's CRDJ will be deposits not yet recorded by the bank, and should be added to the balance reported by the bank. Determine that any deposits in transit listed in last month's bank reconciliation are included in the current month's bank statement.
- Arrange the paid checks in numerical order and compare each check with the corresponding entry in the CRDJ. Place a check mark in the center's CRDJ opposite each entry for which a paid check has been

returned by the bank. The unchecked items should be listed in the bank reconciliation as outstanding checks to be deducted from the balance reported by the bank. Determine whether the checks listed as outstanding in the bank reconciliation for the preceding month have been returned by the bank this month. If not, such checks should be listed as outstanding in the current reconciliation. Stop payment requests should be made on checks outstanding over three months and the entries originally made to record the checks should be reversed.

- Deduct from the book balance any debit memoranda issued by the bank which have not been recorded by the depositor.
- Prepare a bank reconciliation, reflecting the preceding steps, similar to the illustration.
- Make journal entries for any items on the bank statement which have not yet been recorded in the program's accounts. For example, to record a bank charge for $7.00, debit other expense $7.00 and credit Cash $7.00.

3.3.3.2. Procedures to Establish and Control Petty Cash

Most programs will have numerous small disbursements in such areas as postage, staff travel, participant travel, office supplies, educational supplies, printing and household supplies. (Contractors are discouraged from using petty cash for food purchases. In addition, there will be no advances to employees from petty cash.)

To issue a check for each of these expenses would require writing checks for very small amounts. Therefore, the program should set aside, out of the bank account, a special fund for these small payments. The amount of this fund must not exceed $100.

Whenever a separate fund is kept for these small payments, a Petty Cash Summary and Reconciliation Form must be used to record and summarize all "petty" cash transactions (see page 3-10 for this illustration).

The petty cash is usually kept in a locked petty cash box in the office. The petty cash fund is placed in the custody of an employee designated as Petty Cash Custodian.

The petty cash fund is reimbursed from time to time with an amount equal to monies spent out of the fund. This is called the "imprest" system.

3.3.3.2.1. To Establish Fund

- Choose someone other than the bookkeeper (if feasible) to be custodian of the petty cash fund.
- Make out a check for the total amount of the fund payable to "(Name), Petty Cash Custodian," and enter it in the General column of the Cash Receipts/Disbursements Journal.
- Have the check cashed by the petty cash custodian and put in a locked petty cash box.

3.3.3.2.2. To Disburse Money from the Fund

Whenever you have a small expense (under $20.00), take the money from the fund and put a petty cash voucher for the exact amount taken into the petty cash box. Attach all supporting invoices or receipts to the petty cash voucher. Petty cash vouchers should be sequentially pre-numbered and all vouchers, including voided vouchers, should be accounted for. Every petty cash voucher should be signed in ink by the petty cash custodian and person receiving the cash.

3.3.3.2.3. To Reimburse Fund

When the petty cash fund is running low or at the end of the month, to reimburse your petty cash fund do the following:

- Remove all the petty cash vouchers from the box and enter the amounts on the Petty Cash Summary and Reconciliation Form.
- On 8 1/2 x 11 paper, tape the petty cash vouchers and supporting receipts.
- Prepare check for amount of receipts <u>only</u>.
- The person responsible for signing checks to replenish the fund should cancel petty cash vouchers and receipts.
- Check plus cash in petty cash box should equal total petty cash fund.

3.3.3.2.4. Imprest Fund (Petty Cash) Reminders

- Always make petty cash check payable to a person, e.g., Mary Jones, Petty Cash Custodian.
- At all times, the contents of the petty cash box should equal the approved amount of the petty cash fund. This may be in cash or receipts or a combination of cash and receipts. Any overages or shortages should be brought to management's attention.
- Set up a petty cash folder. Each time your petty cash fund is reimbursed, the supporting petty cash vouchers and receipts should be filed in an orderly fashion.
- The contents of the petty cash box should be counted whenever the custodian changes (even temporarily).
- The petty cash contents should be counted on a surprise basis by an authorized person other than the custodian.

PETTY CASH SUMMARY AND RECONCILIATION

Period: From_____To_____ Report Number:_____

Month	Day	Payee Name	Maintenance	Rec & Ed	Office & House	Staff Travel	Comm.	Print. & Dup.	Participant Travel	Food
Total										

Total Expenditures (Add up the total line above) _____
Total Paid (Check # _____ Date _____) _____
Add Cash On Hand Per Count (As of Date _____) _____
Total Petty Cash _____
Authorized Petty Cash Fund _____
Cash Over or Short _____

We hereby certify that the cash and coin amount shown was counted and that the petty cash slips paid bear the signatures of the persons paid and the person authorized to approve petty cash slips.

_____ _____ _____ _____
Signature of Holder Date Signature of Verifier Date

3.4. Cash Receipts

3.4.1. Introduction

This section covers the procedures for the collection, recording, and depositing of DFTA reimbursements and advances and participant contributions income. See also Chapter 10 for procedures for the collection of past-due cost share amounts which must be followed by homecare programs.

3.4.2. Control Objectives for Cash Receipts

An effective system of internal control for cash receipts consists of the following control objectives:

- Only authorized persons, with no conflicting duties, have access to cash receipts and related records.
- Lock boxes are used when appropriate.
- Persons handling remittances are independent of the shipping, billing, accounting, and cash disbursement functions.
- Receipts of currency (i.e., participant contributions) are opened and counted by two individuals.
- Restrictive endorsements are placed on checks immediately when received and all receipts are controlled and deposited intact daily. No receipts should be held back to pay bills.
- A control listing of daily cash receipts is forwarded to a person independent of handling remittances and accounts receivable detail functions.
- Entries to the cash receipts journal are compared with the deposits per the bank statement and the initial control listings by a person independent of the cash receipts and accounts receivable functions.
- Cash receipts data is processed completely and accurately in the proper accounting period, and rejected entries (computerized systems only) are followed up on a timely basis.

3.4.3. DFTA Accounting and Internal Control Requirements For Cash Receipts

3.4.3.1. Procedures for DFTA Reimbursements Including Cash Advances

Upon registration of the contract with the City Comptroller's Office of Contract Administration, the contractor may receive an advance payment as specified in the contract by submitting a written request to Director, Contract Accounting, Department for the Aging for the specified amount.(See address below) (See also Section 5.2.1)

In addition, the following documentation, although not needed to obtain a cash advance, must be submitted:

- Bank authorization form (see page 3-13).
- Written notice of proper signatories (see page 3-14).

At no time can the sum of advances and reimbursement payments exceed the total amount of the budget (i.e., total City, State or Federal funds).

If there is any outstanding balance at the end of the budget period, then a check for the amount of the outstanding advance must be sent by the contractor within 30 days of the end of the contract period to:

City of New York
Department for the Aging
Office of Contract Accounting
2 Lafayette Street (9th Floor)
New York, New York 10007
Attn.: Director

AUTHORIZATION TO FURNISH INFORMATION AND TRANSFER FUNDS

DFTA ID# _____

NAME OF SPONSOR: _____

ADDRESS OF SPONSOR: _____

NAME OF PROGRAM: _____

ADDRESS OF PROGRAM: _____

NAME OF BANK: _____

ADDRESS OF BANK: _____

BANK ACCOUNT NAME: _____

BANK ACCOUNT NUMBER: _____

The above account maintained at your bank is to be used for all funds received pursuant to the contract for the operation of a Service Program for the Elderly between the Undersigned and the City of New York, acting through the New York City Department for the Aging. These funds include the Grant Awards as well as the participant contributions, fees, and interest earned which result from the contract.

The Undersigned hereby authorizes and directs you to forthwith comply with any written request made by the New York City Department for the Aging to furnish any bank statement, canceled checks or other information in your possession or control relating to the above account.

The Undersigned hereby authorizes and directs you to forthwith comply with any written request made by the New York City Department for the Aging to transfer the balance of DFTA's funds remaining in the account to the New York City Department for the Aging.

In any written request, the New York City Department for the Aging shall promise to indemnify you and hold you harmless in connection with the furnishing of any information and the transfer of funds.

Accepted *	
Bank _____	Contract Agency _____
By _____	By _____
Title _____	Title _____
Date _____	Date _____

*Must be signed and stamped by Bank Officer

Return to: Department for the Aging
Contract Procurement & Support Services
2 Lafayette Street – 4th Floor
New York, NY 10007 – 1392

(DFTA REVISED 01/05)

NOTIFICATION OF PROPER SIGNATURES FOR PRIME CONTRACT

The New York City Department for the Aging must be notified in writing within (5) working days of any changes or substitutions.

DFTA ID# _____

NAME OF SPONSOR: _____

ADDRESS OF SPONSOR: _____

NAME OF PROGRAM: _____

ADDRESS OF PROGRAM: _____

I. The following persons are authorized to sign checks in connection with the Prime Contract:

NAME	TITLE	SPECIMEN OF SIGNATURE

II. The following persons are authorized to sign vouchers in connection with the Prime Contract:

NAME	TITLE	SPECIMEN OF SIGNATURE

I hereby certify that the information shown on this notification is correct and that the signatures shown on this notification are valid.

_____ Date

_____

Please check only one box

☐ Chairman of the Board

☐ Executive Director

Return to: Department for the Aging
Contract Procurement and
Support Services
2 Lafayette Street – 4th Floor
New York, NY 10007 – 1392

(DFTA REVISED 01/05)

The following procedures should be performed by the agencies after receiving any reimbursement from DFTA (including cash advances):

- In the case of automatic wire transfers received from DFTA, the agency should identify this cash receipt as a DFTA payment on its bank statement and reconcile the amount received to the amount requested on the monthly contractor's invoice.
- If the agency receives a check payment from DFTA, then they should keep a copy of the check and the check stub for their files.
- The agency should deposit the check within 24 hours of the receipt of the check, or the same day if possible.
- The agency should review and file the adjustment letter from DFTA, if applicable.
- All necessary transactions should be recorded immediately.

3.4.3.2. Procedures for Participant Contributions/ Income

Participants in DFTA funded programs are encouraged to make voluntary contributions toward the cost of the services provided. The Director of the program is responsible for the collection, counting, recording, and deposit of contributions. The agency should assign individuals to assist the Director in the collection process. Two individuals should open and count participant contributions (currency), log the receipts, and turn the receipts over to the Director at the end of each day. (See Contract Agency Program Management Manual for procedures for contributions collection).

Fiscal Requirements for Participant Contributions:

- Program income may not be accumulated and used to form a fund balance. All contributions collected must be put back into the program during the period in which it was collected. Programs are currently required to keep a separate (sub) ledger for contributions and they are required to report contributions collected in their monthly invoices.

- A separate monthly participant contribution subsidiary ledger should be maintained and reconciled to cash deposits each month.
- The subsidiary participant contribution ledger should include the total daily participant contributions received and for which program it was received (ex. Congregate breakfast, congregate lunch or home delivered meals, transportation, education/recreation, etc.).
- All funds generated through participant contributions or interest earned must be deposited in a timely manner (i.e., daily or weekly) to the agency's bank account.
- Participant contributions and interest earned must be reported monthly as a deduction from the total on the subcontractor voucher for the amount deposited in the bank during the month. Contributions collection is reported by service.

3.4.3.3. Procedures for Collection of Past-Due Cost Share Amounts (Homecare Programs Only)

See Chapter 10, Section 10.6.

3.5. Cash Disbursements

3.5.1. Introduction

This section covers the procedures for the payment for purchases as well as processing of Vendor Invoices. (See Chapter 6 for procurement requirements)

3.5.2. Control Objectives for Disbursements

An effective system of internal control for purchases and payments for goods and services consists of the following control objectives:

- Only authorized persons, with no conflicting duties, have access to purchasing data files, computer programs, and related records.
- Purchase orders are properly approved.
- Master file or listing of approved (by contract agency) suppliers is maintained.
- Procedures are established to control changes and update information included on the master file or listing of preferred suppliers.
- Responsibilities and procedures are established to approve purchase orders in excess of established limits.
- Persons who perform the purchasing function are independent of processing invoices for payment, receiving, shipping, cash receipts and disbursements, and accounting/bookkeeping functions.
- Purchase orders are controlled (e.g., by prenumbering), and missing documents are followed up on a timely basis.
- Open purchase orders are followed up periodically.
- Purchasing data is processed completely and accurately in the proper accounting period, and rejected entries (computerized systems only) are followed up on a timely basis.

- Only authorized persons, with no conflicting duties, have access to receiving data files, computer programs, and related records.
- Goods received are counted, inspected and matched to approved purchase orders.
- Procedures are established to prevent payment (or recover payment, if made) for rejected goods, over or short deliveries, price differences, and returned goods.
- Persons who perform the receiving function are independent of processing suppliers' invoices for payment, purchasing, shipping, cash receipts and disbursements, and accounting functions.
- Receiving reports are controlled (e.g., by prenumbering), and missing documents are followed up on a timely basis.
- Receiving data is processed completely and accurately in the proper accounting period, and rejected entries (computerized systems only) are followed up on a timely basis.
- Only authorized persons, with no conflicting duties, have access to supplier invoice data files, computer programs, and related records.
- Persons who process suppliers' invoices for payment are independent of the purchasing, receiving, shipping, cash receipts, and check signing functions.
- Suppliers' invoices are approved by responsible employees and matched with approved purchase orders and receiving reports prior to payment, and differences are followed up on a timely basis.
- Suppliers' invoices are checked for accuracy (e.g., mathematical extension, proper freight charges, and discounts) prior to payment.
- Suppliers' invoice data is processed completely and accurately in the proper accounting period, and rejected entries (computerized systems only) are followed up on a timely basis.

- Only authorized persons, with no conflicting duties, have access to cash disbursement data files, computer programs, and related data.
- Persons who sign checks are independent of processing invoices for payment, purchasing, receiving, shipping, cash receipts, and accounting functions.
- Persons who sign checks are presented with approved supporting invoices for comparison and inspection.
- Checks are never made out payable to "Cash".
- All disbursements except petty cash must be made by check.
- Checks are mailed directly after being signed by persons independent of processing invoices for payment, purchasing, receiving, shipping, cash receipts and accounting/bookkeeping functions.
- Adequate physical safeguards must be maintained over blank and voided checks.
- Persons who operate the check-signing machine (if one is used) and maintain custody of the keys and plate are independent of the invoice processing and check preparation functions.
- Cash disbursements data is processed completely and accurately in the proper accounting period, and rejected entries (computerized systems only) are followed up on a timely basis.
- Supporting documents must be canceled to prevent their use for duplicate payment.
- Persons who have access to unissued checks are independent of the check signing function.
- Blank checks are <u>never</u> presigned.
- Spoiled checks (i.e. checks with errors) are properly voided to prevent use.
- Bank accounts and check signers are properly authorized (e.g., by the board of directors).
- Responsibilities and procedures are established to approve interbank transfers.

- Funds for routine recurring payments (e.g., payroll and petty cash) are on an imprest basis, if practical.
- Responsibilities and procedures are established to approve disbursement and reimbursement of imprest cash funds.
- Unpaid suppliers' invoices or accounts payable subsidiary ledgers are reconciled monthly to the general ledger control account, and reconciliations are reviewed and approved by responsible employees.
- Statements received from suppliers are reconciled to the unpaid invoices or accounts payable subsidiary ledgers, and differences are followed up on a timely basis.
- Bank statements are reconciled monthly to the general ledger, and reconciliations are reviewed and approved by responsible employees.
- Stale checks (i.e. checks outstanding more than three months) are followed up on periodically, and stop payment notices are issued and recorded if appropriate. Unclaimed wages must be turned over to the State after three years to:

  Office of the State Comptroller
  Office of Unclaimed Funds
  Gov. A.E. Smith State Office Building
  Albany, New York 12236

3.5.3. DFTA Accounting and Internal Control Requirements for Disbursements

The following procedures must be followed in processing OTPS expenditures in order to provide the supporting documentation needed for reimbursement cost allocation and audit.

3.5.3.1. Verification and Approval for Payment

Upon receipt of the invoice the bookkeeper must:

1. Verify that:
   - the goods and services were received
   - the prices and computations on the invoice are correct

- the expenditure is within the budget of the program
- the purchase order was approved by the appropriate person

2. Adjust the invoice where sales tax has been charged since State and local sales taxes are not reimbursable.
3. Note the account code and service cost centers on the face of the invoice.
4. Initial the invoice to indicate that it was verified.

3.5.3.2. Invoice Stamp

Upon payment, invoices should be canceled as follows:

A rubber stamp imprint must be placed on the face of each original invoice (like invoices such as food or milk bills can be grouped together and attached to a stamped cover sheet) in order to show that all the necessary steps have been taken prior to entry in the journal (if there is no available space on the face of an invoice, the imprint may be placed on the back of the invoice). The imprint should be in the following form:

DFTA ID No. _____

DFTA Contract No. _____

DFTA Cost Category _____

Service Cost Center Allocation

- _____ $_____
- _____ $_____
- _____ $_____
- _____ $_____
- _____ $_____

Agency Account Code _____

Date Paid _____ Check No. _____

Prepared By: _____

Approved By: _____

3.5.3.3. Payment of Invoice

1. Obtain the signature on the invoice of the person authorized to approve payment.
2. Prepare the check for payment, recording on the check stub the vendor's name, the invoice number and the account code or type of expenditure.
3. Cancel the invoice by recording on the invoice the check number, date and amount. (See Section 3.5.3.2.)
4. Bring invoice and check to authorized check signer.
5. The authorized check signer should then sign the check.
6. Checks should be mailed by an authorized person other than the check preparer and check signer.

3.5.3.4. Recording and Filing

1. Record the check in the Cash Receipts and Disbursements Journal (CRDJ) immediately.
2. Place paid invoices in a file marked "Paid Invoices" (Unpaid invoices should be kept in a separate file).
3. When invoices/claims are submitted to DFTA (by contractors receiving up to $10,000 per year) each invoice/claim must be attached to the original supporting documentation (such as payroll certification form, bills, and receipts, etc.). Copies should be securely maintained for follow-up procedures and audit purposes.

3.6. Payroll

3.6.1. Introduction

This section covers the procedures for insuring proper controls over payroll.

3.6.2. Control Objectives For Payroll

An effective system of internal control for the processing and payments of employee payroll consists of the following control objectives:

- Only authorized persons, with no conflicting duties, have access to payroll and employee benefit data files, computer programs, and related records.
- New hires, compensation rates, and employee benefits are properly approved by the contract agency.
- Written authorizations are obtained from employees for withholding exemptions and voluntary payroll deductions.
- A master file or listing of employee data used to prepare payroll (e.g., name, position, compensation rates, employee benefits, and payroll deductions) is maintained.
- Procedures are established to control changes and update information included on the master file or listing of employee data used to prepare payroll.
- Variable data used to calculate gross pay are properly approved (e.g., hours worked).
- Payroll and employee benefit data are processed completely and accurately in the proper accounting period, and rejected entries are followed up on a timely basis.
- Only authorized persons, with no conflicting duties, are permitted access to payment data files, programs, and related records.
- Imprest bank accounts are used for payroll disbursements (if a separate bank account is used for payroll).
- Time and attendance reports including annual and sick leave balances must be maintained for all employees and verified by proper authority.

- Payrolls are properly approved before distribution of payroll checks.
- Persons who distribute the payroll checks are independent of personnel in payroll preparation, and development or approval of data (e.g., time records) used for payroll preparation.
- Responsibilities and procedures are established for preparation and filing of payroll tax returns and payment of accumulated withholdings and related accrued taxes.
- Employee compensation records are reconciled to control accounts.
- Differences reported by employees are followed up on a timely basis by persons independent of the payroll preparation function.
- Payroll bank accounts are reconciled monthly to the general ledger.

Annual Leave

- All leave periods are accumulated in the annual basis of the contract year; July 1 through June 30. All annual leave time is calculated from the employee's effective date of employment.
- Annual leave is not payable in advance.
- Employees must use all of the annual leave accrued during a contract year by the end of the contract year, June 30. However, up to 10 days of annual leave time may be carried over beyond the end of the contract year so long as these 10 days are used by August 31 of the succeeding contract year. As of June 30, any accrued annual leave in excess of 10 days will be lost. As of August 31, any remaining annual leave from the preceding contract year will be lost.
- Upon resignation or dismissal, payment will be made for any unused annual leave so long as such payment conforms to all stipulations concerning rate of accumulation, maximal accumulation, and carry-over of annual leave.
- Upon contract termination sick and annual leave balances cannot be carried over and DFTA will not pay for these unused balances from prior fiscal years.

3.6.3. DFTA Accounting and Internal Control Requirements for Payroll

DFTA requires the following procedures to be followed to insure proper documentation of payroll expenditures for processing invoices and for audit purposes.

3.6.3.1. Time and Attendance Record

For all employees (full-time or part-time) a time and attendance record must be maintained for each pay period throughout the duration of contract operations. This time and attendance record is to include the following information for each employee:

- Name of Employee
- Time period covered
- Designation of actual hours worked by day of the week
- Indication, if applicable, of holidays, sick leave, vacation, or other approved personal time off
- Signature of Employee
- Signature of Employee's supervisor to indicate approval of the hours worked listed on the time and attendance record are accurate and complete

3.6.3.2. Payroll Register

The agency must have a supporting payroll register for each payroll. The payroll register can be derived from an in house payroll system or an external payroll service. The payroll register must clearly denote the pay period ended and pay date and include each employee's name, social security number, title or department number, gross pay, deductions, net pay, check number or direct deposit voucher number (whichever is applicable).

The payroll register must also be adequately departmentalized for those agencies which have multiple publicly funded programs.

Each payroll register must be signed and approved by the director for accuracy. Upon approval of a particular pay period's payroll register it must be posted via journal entry to the agency's general ledger accounting system.

3.7. Equipment Inventory

3.7.1. Introduction

This section covers the procedures for controls over equipment inventory.

3.7.2. Control Objectives for Equipment Inventory

An effective system of internal control for inventory consists of the following control objectives:

- An Equipment Register is maintained.
- Only authorized persons, with no conflicting duties, have access to equipment inventory records.
- Procedures are established to control changes and update information included on the Equipment Register.
- Adequate equipment inventory records are maintained by persons independent of purchasing, receiving, shipping, and custody of equipment inventory functions.
- Equipment inventories are protected from unauthorized use or removal.
- Equipment inventory records are compared to the Fixed Asset Register, and differences are followed up on a timely basis.
- Physical inventories must be performed annually for all equipment inventory.
- Every piece of equipment inventory must be properly tagged showing the funding source (e.g., NYC DFTA) and serial number.

3.7.3. DFTA Accounting and Internal Control Requirements for Equipment Inventory Management and Disposition

3.7.3.1. Receipt of Property

Delivery slips must be signed and maintained.

3.7.3.2. Tag on Items

All fixed assets in the custody of contractors must be tagged. This includes existing items, as well as all new purchases. Tag must indicate the item's ID number (e.g. serial number) and funding source. Examples of funding source include: DFTA; HRA-CDA; fund-raising; participant contributions.

For items purchased with DFTA funds, the revenue source must be indicated as well (e.g. Federal, State, or City). On the Invoice for Goods and Services issued to the contractor, DFTA will inform contractors of the revenue source used to pay for items on the Invoice for Goods and Services. Contact your Program Officer and Budget Analyst for details.

3.7.3.3. Fixed Asset Register

- On a one-time basis, DFTA requests all contractors to complete a Fixed Asset Register Form listing all equipment and property (See 3.7.3.6). To begin the inventory record, it may be helpful to use the listing in the most recent Audit report as a base.

  When a new program is established, the contractor for that program will be expected to submit a Fixed Asset Register Form to DFTA. (Instructions for handling Fixed Assets when a contract is terminated are detailed below.)

- On an annual basis, DFTA will send the contractor a copy of the most recent Fixed Asset Register Form on record. The contractor will update this form with acquisitions and changes and return it to DFTA.

- A <u>current</u> Fixed Asset Register Form must be maintained on site.

- During their visit to the program site, auditors will check tagged inventory on site against a copy of the submitted list.
- The program must obtain permission from the Program Officer or Nutritionist to dispose of or discard any item purchased with DFTA funds. The program must request an Approval to Discard Form from DFTA, and maintain the signed Form in program records.

3.7.3.4. Management of Physical Inventory at Contract Termination

- At the termination of a contract the DFTA Program Officer will visit the program site to check inventory.
- . Decisions about the disposal of Physical Inventory funded by the Department will be made by DFTA. A Close-out Agreement will be signed by the contractor who is closing out, and where inventory is transferred, by the receiving contractor.
- The sponsor of the terminating contract must indicate the disposition of all physical inventory on the Fixed Asset Register Form, which must be left with the program records.
- The new sponsor will receive the turn-around record for the program, and will be expected to update this Inventory.

3.7.3.5. Contracts for the Sole Purpose of Purchasing Goods or Equipment

- Contracts for the sole purpose of purchasing goods or equipment (these contracts, which usually involve funding from public officials, have no ongoing programmatic provisions) will state that after termination of the contract it is the responsibility of the contract agency to use the item for the purpose specified in the contract.
- During the contract period, the contractor must submit an Equipment Register Form to DFTA listing items that have been purchased through the contract. A site visit will be made to verify the purchase and program compliance with tagging requirements.

3.7.3.6. Instructions for Completing Equipment Register Form

Every DFTA funded program must keep a Fixed Asset Register Form (see page 3-31) of all items costing $1,000 or more purchased out of the equipment budget and all equipment donated to the program. The inventory should also include furniture and appliances purchased under the printing and supplies category.

Instructions for Completing Equipment Register Form

Data Element Number	Element Name	Instructions
1	Description	Enter description of item
2	Identification Number	Enter the identification number (Company's assigned identification number can be found on vendor invoice, i.e., IBM electric typewriter, red and white, #636425).
3	Quantity	Enter number of items received.
4	Date Acquired	Enter the date the item was purchased or donated.
5	Purchased: New, Used, or Gift	Enter whether the item was purchased as new (N) or used (U), or whether the item was donated (G).
6	Vendor or Donor	Enter vendor (V) or donor (D).
7	Cost	Enter the purchase price. If the item was donated, enter the current replacement cost of a like unit.
8	Funding/Revenue Source	Funding Source = DFTA, HRA, Fund Raising, Contributions Revenue = Federal, State, City

Instructions for Completing Fixed Asset Register Form

Data Element Number	Element Name	Instructions
9	Location of Item	Enter the location of the item (i.e., kitchen, office). If the item is moved to another location, then enter the new location.
10	Person Responsible	Enter name and title of person the equipment has been assigned to.
11	Disposition Method/Date	If the item has been disposed of, enter reason for and method of disposal (i.e., breakage, theft, trade-in). All thefts should be reported to the police and documented by police report/unique police file #.
12	Proceeds	Enter amount received upon disposal.
13	Verified by	Enter signature and printed name of person verifying inventory and date verified.

EQUIPMENT REGISTER

Sponsor: _____ Date:_____

Program: _____ ID#_____ Page_____of _____pages

Description	ID #	Quantity	Date Acquired	Purchased: New Used/Gift	Vendor or Donor[1]	Cost	Funding Revenue Source[2]	Location of Item	Person Responsible	Disposition Method/ Date[3]	Proceeds
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**

[1] V = Vendor

[2] Funding Source = DFTA, HRA, Fund-Raising, Contributions.
Revenue Source = Federal, State, City.

[3] Disposition = Transferred, Discarded, Sold, Storage, Other.

13 Verified by: _____
Signature

_____
Print Name

_____
Date

3.8. Close-Out Procedures

3.8.1. Introduction

This section covers the procedures for the final fiscal closeout of the budget fiscal year and for contract terminations.

3.8.2. DFTA Accounting and Internal Control Requirements for Close-Out Procedures for the Fiscal Close of the Budget Year.

The final fiscal closeout should be completed within 30 days of the budget fiscal year end.

3.8.2.1. Payroll

If the last bi-weekly pay period does not end on the last calendar day of the contract year, the contractor may accrue the salary attributable to the contract year or issue a check on the last pay date in the contract year covering the remaining days of the present budget (e.g., 06/26/XX - 06/30/XX). The salaries for the remainder of the pay period that "crosses over" the two fiscal years (e.g., 07/01/XX - 07/9/XX) must be paid from the new contract budget.

3.8.2.2. Petty Cash

Contractors are to prepare a Petty Cash reconciliation form, record the petty cash expenses, deposit all monies remaining in the fund and credit Petty Cash on Hand Account.

3.8.2.3. Security Deposits

In order to close this account in the current Program year, the contractor must issue a check from the next Program year account for the amount of the security deposit (i.e. the amount held by a landlord or utility company). The check will be deposited in the current year bank account. A sample entry to record this transaction is as follows:

Year 20XX Books:

DEBIT	Cash in Bank
CREDIT	Security Deposits

3.8.2.4. Bank Accounts

NOTE: It is no longer a requirement of DFTA agency's to maintain a separate bank account for DFTA funds or open a new bank account for each succeeding fiscal year of the contract. DFTA programs may utilize an agency's general operating bank account for disbursements of funds for DFTA expenditures.

Acceptable procedures and internal control requirements are nevertheless necessary over the agency's Bank Reconciliations.

3.8.2.5. Invoicing

All invoices (including Equipment/Renovations and One-Time Payments invoices) for the reimbursement of Y-T-D expenses must be submitted no later than 30 days after the end of the contract year to:

New York City Department for the Aging
Office of Contract Accounting
2 Lafayette Street, 9th Floor
New York, NY 10007

Any invoices submitted after this date may be rejected and <u>not</u> considered for payment.

3.8.2.6. Books of Account

The Contractor must maintain books of account and all required bookkeeping and accounting procedures/practices necessary to account for actual revenues and costs for each fiscal year.

3.8.2.7. Payments After the End of the Program Year

All expenses paid subsequently to the submission of the voucher for the last month of the current budget fiscal year, but applicable to the current year, should be paid and vouchered as soon as possible as a supplementary voucher dated the last day of the contract year. In no case should bills remain unpaid longer than 30 days after the close of the program.

3.8.2.8. Unpaid Bills

Any unpaid bill which is not available to the independent auditor (CPA) for verification will not be honored by DFTA. Therefore, it is essential that all unpaid bills be properly recorded, filed and presented to the auditors.

Note: Funds from current City fiscal year cannot be used to pay expenses of prior City fiscal year(s).

3.8.2.9. Return of Outstanding Advance Balance

All current outstanding bills should be paid as soon as the contract year ends. A check payable to NYC Department for the Aging must be issued for the outstanding portion of the advance within 30 days of the end of the contract period and delivered or mailed to the following address:

New York City Department for the Aging
Office of Contract Accounting
Attn: Director
2 Lafayette Street, 9th Floor
New York, New York 10007

The entry to record this transaction is:

DEBIT	Advance Payable to DFTA
CREDIT	Cash in Bank

Do not wait for completion of the audit to return your advance balance. Failure to return these funds to the Department as required may result in delaying your payments or recoupment against your current City fiscal year funds, thereby, reducing your current City fiscal year contract funds. This will also negatively affect your annual vendex evaluation.

3.8.3. DFTA Accounting and Internal Control Requirements for Close-out Procedures Upon Contract Termination

Upon contract termination, any unspent funds must be returned to DFTA within 30 days of the termination date as stipulated in Article 7.03(c) of the contract:

"Upon termination of this agreement the Contractor shall comply with the Department's close-out procedures, including but not limited to accounting for and refund to the Department, within thirty (30) days any unexpended funds pursuant to this agreement. Contractor must be prepared for a full audit within thirty (30) days from the termination of the contract period".

3.8.3.1. Invoicing

All invoices (including Equipment/Renovations and One-Time Payments invoices) for the reimbursement of Y-T-D expenses must be submitted no later than 30 days after the termination date to:

New York City Department for the Aging
Contract Accounting
2 Lafayette Street, 9th Floor
New York, NY 10007

Any invoices submitted after this date may be rejected and not considered for payment.

3.8.3.2. Books of Account

The Contractor must maintain books of account and all required bookkeeping and accounting procedures/practices necessary to account for actual revenues and costs for each fiscal year.

3.8.3.3 Food Inventory

Food Inventory should be transferred to DFTA or the new sponsor as DFTA directs. This includes all items on site whether or not they have been paid for as of that date.

3.8.3.4. Consumable Inventory

Contractors should conduct an inventory of all consumable supplies on hand as of the termination date, including all items on site whether or not they have been paid for as of

that date. Consumable supplies include disposable items used in the preparation and service of meals; detergents and maintenance products for the kitchen, dining room and program areas; office supplies; and other supplies. All consumables are to be in one inventory; there should not be separate inventories for different types of consumables. This inventory should be transferred to DFTA or the new sponsor at the department's direction.

3.8.3.5. Payroll

The last pay period or portion thereof must be paid upon contract termination.

3.8.3.6. Petty Cash

Contractors must prepare a Petty Cash reconciliation form, record the petty cash expenses, deposit all monies remaining in the fund and credit Petty Cash on Hand Account.

3.8.3.7. Equipment

All property must be properly tagged and recorded. Said property will be transferred to DFTA or the new sponsor at the Department's direction.

3.8.3.8. Prepaid Insurance

To close insurance policies contractors must cancel the policy, confirm the unused portion, then send a check to the Department for the total amount.

3.8.3.9. Security Deposits (e.g. rent, telephone, utilities)

In order to close these accounts the contractor must cancel the agreement, request the amount that will be returned to them, including interest if any and send a check to the Department for that amount.

3.8.3.10. Payment After the End of the Program Year

All expenses paid subsequent to the submission of the voucher for the last month of the current contract year should be paid and vouchered as soon as possible as a supplementary voucher dated the last month of the contract year with a suffix SV (e.g. "6/XX SV"). Said supplementary voucher(s) should be submitted no later than 30 days after the contract's termination. In no case should bills remain unpaid longer than 30 days after the close of the program.

3.8.3.11. Unpaid Bills

Any unpaid bills which are not available to the independent auditor (CPA) for verification will not be honored by DFTA.

3.8.3.12. Return of Outstanding Advance Balance

As soon as the contract is terminated the following steps must be taken:

- Pay all current outstanding bills.
- **RETURN THE BALANCE OF THE CURRENT YEAR FUNDS TO DFTA INCLUDING ANY OTHER PRIOR YEARS AMOUNTS DUE TO DFTA. DO NOT WAIT FOR COMPLETION OF THE AUDIT. ALL OUTSTANDING ADVANCE FUNDS ARE DUE BACK TO DFTA NO LATER THAN THIRTY DAYS AFTER THE CONTRACT TERMINATION**.

A check payable to N.Y.C. Department for the Aging must be issued for the outstanding portion of the advance and delivered or mailed to the following address:

New York City Department for the Aging
Office of Contract Accounting
Attn: Director
2 Lafayette Street, 9th Floor
New York, NY 10007

The entry to record this transaction is

DEBIT:	Advance Payable to DFTA
CREDIT:	Cash in Bank

4. Bookkeeping Procedures

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4.1. Introduction

This chapter provides a discussion of the accounting books and records that should be maintained by a DFTA program. This chapter begins with a discussion of the chart of accounts to be used by DFTA programs in maintaining their accounting books and records on a double entry bookkeeping system and then describes the following accounting books and records:

- General Journal
- Cash Receipts and Disbursements Journal
- Payroll Register
- General Ledger
- Subsidiary Cost Ledger
- Trial Balance
- Equipment Register

In addition appropriate payroll records are described in Chapter 3.

Every financial transaction must be properly approved and supported by source documents such as timesheets, bills, invoices, receipts and canceled checks paid by the bank which are recorded in the Cash Disbursement Journal.

This chapter concludes with a discussion of allocation of program costs to service cost centers.

4.2. Chart of Accounts

4.2.1. Purpose

The chart of accounts is the heart of the contractor's accounting system because it provides the means by which all accounting events or transactions are classified and recorded. The chart of accounts also provides the framework within which information in accounting records is extracted, summarized, and reported. Accordingly, the chart of accounts should permit the classification of accounting information in ways which:

- facilitate control of assets and liabilities; and
- are useful to those who receive the entity's financial reports, including internal management, Board of Directors of the contract agency, government agencies, and the public.

To fulfill these objectives, the chart of accounts should classify information in at least the same format and level of detail as that used to prepare, review, and adopt the entity's budget.

4.2.2. Summary of Chart of Accounts

Under each of the four basic types of accounts (Assets, Liabilities, Revenues and Expenses), there are a set of account titles and account codes. These should be arranged in the General Ledger in numerical order.

Acct No.	Account Title
100	ASSETS
101	Cash in Bank
102	Petty Cash on Hand
110	Accounts Receivables
112	Security Deposits
113	Fees Receivable - Clients

Acct No.	Account Title
200	LIABILITIES
201	Advance Payable to DFTA
202	Accounts Payable
203	FICA Taxes Payable
204	Federal Withholding Taxes Payable
205	State Withholding Taxes Payable
206	City Withholding Taxes Payable
207	Due to Sponsor
300	REVENUES
301	Revenues - DFTA
302	Revenues - Participant Contributions
303	Revenues - Guests / Staff
304	Revenues - Fees Billed
305	Revenues - Interest Earned
306	Revenues - In Kind Contributions
307	Revenues - Other
308	Revenues – Food Handlers

Acct No.	Account Title
400	EXPENSES
401	Salaries
402	FICA Employer's Shares
403	Unemployment Insurance
404	Health and Life Insurance
405	Workmen Compensation and Disability Insurance
406	Salaries In-Kind
410	Consultants
420	Vehicles
430	Equipment Rental
440	Travel
450	Rent
451	Rent – Usage charges
452	Rent In-Kind
453	Utilities
454	Other Occupancy
460	Communications
470	Printing and Supplies
480	Raw Food/Disposables
481	Catered Food/Disposables
485	Program Insurance
490	Other
495	Indirect Costs
496	Equipment Purchased
497	Renovations
498	One-time payment expenses

4.2.3. Detailed Account Descriptions

Detailed Account Descriptions – Assets

Code	Account Title	Description
100	ASSETS	
101	Cash in Bank	Debit this account for all monies deposited with the bank (also for checks which the bank has been ordered to stop). Credit this account for all checks drawn (also direct charges by the bank such as service charges, etc. reflected by bank debit memorandums). Balance (debit) represents the monies on deposit with the bank. (A credit balance would indicate a bank overdraft.
102	Petty Cash on Hand	Debit this account with the amount of cash provided to establish or increase imprest petty cash fund. Credit this account only if petty cash fund is liquidated or the total size of the fund is decreased. (Replenishment of petty cash fund is debited directly to expenditure accounts Balance (debit) reflects the total of the cash plus unreimbursed payment vouchers in the petty cash fund.
110	Account Receivable	Debit this account with the amount of any monies owed to the contract agency for services delivered and related expenditures. Credit this account with any reimbursements received or other accountability for such reimbursements. Balance (debit) represents monies owed to the contract agency from DFTA or other sources.

Detailed Account Descriptions - Assets (Continued)

112	Security Deposits	Debit this account with deposits including rent, utilities, and telephone. Credit this account with the return of funds related thereto. Balance represents outstanding deposits at any period of time.
113	Fees Receivable - Cost Sharing Clients	Debit this account with amounts billed to cost sharing clients for services rendered. Credit this account with payments received from clients for services billed. Balance (debit) represents amounts owed by cost sharing clients.

Detailed Account Descriptions – Liabilities

Code	Account Title	Description
200	**LIABILITIES**	
201	Advance Payable to DFTA	Credit this account with advances received from DFTA. Debit this account with amounts applied by DFTA against your vouchered reimbursement claim and return of any outstanding advance balance owed to DFTA. Balance (credit) represents the amount of money payable to DFTA. **NOTE:** At the end of the contract year, any unexpended funds must be returned to DFTA within 30 days.
202	Accounts Payable	Credit this account with amounts due to vendors for goods and services received on account. Debit this account with payments made to vendors and for any items that have been returned to the vendor. Balance (credit) represents amounts owed to vendor.
203	FICA Taxes Payable	Credit this account with (a) FICA taxes deducted from employees per payroll register entries in Cash Receipts/Disbursements Journal and (b) matching employer's share of FICA recorded in the cash receipts/disbursements journal. Debit this account with (a) monthly deposits applicable to this account and (b) quarterly payments to Internal Revenue Service as applicable to FICA Taxes. Balance (credit) represents FICA tax deductions and employers' share not covered by payments of such taxes.

Detailed Account Descriptions - Liabilities (Continued)

Code	Account Title	Description
204	Federal Withholding Taxes Payable	Credit this account with Federal withholding tax deductions per payroll register entries in Cash Receipts/Disbursements Journal (entries based on Payroll Register). Debit this account with (a) monthly deposits applicable to this account, (b) quarterly payments to the Internal Revenue Service as applicable for Federal withholding taxes. Balance (credit) represents federal withholding tax deductions not covered by payments of such taxes.
205	State Withholding Tax Payable	Credit this account with employees' state withholding tax deductions per payroll register entries in Cash Receipts and Disbursements Journal. Debit this account for amount of payment to State for such taxes. Balance (credit) represents unpaid employee State taxes withheld.
206	City Withholding Taxes Payable	Credit this account with employees' city withholding deductions per payroll register entries in Cash Receipts/Disbursements Journal. Debit this account for amount of payments to State for such taxes. Balance (credit) represents unpaid employee City taxes withheld.
207	Due to Sponsor	Credit this account for any funds loaned to the program by the Sponsor and any amounts owed to the Sponsor for reimbursement of DFTA - approved Indirect Cost. Debit this account with amounts paid to the Sponsor. Balance (credit) represents amount payable to the sponsor.

Detailed Account Descriptions – Revenues

Code	Account Title	Description
300	REVENUES	
301	Revenues-DFTA	Credit this account with reimbursements received from DFTA for your audited invoice claims.
302	Revenues-Participant Contributions	Credit this account with participant contributions deposited in the bank.
303	Revenues - Guests and Staff	Credit this account with contributions received from guests and staff and deposited in the bank.
304	Food Handlers	Credit this account with contributions received from food handlers and deposited in the bank.
305	Revenues - Fees Billed Cost Sharing Clients	Credit this account with amounts billed to cost sharing clients for services rendered.
306	Revenues - Interest Earned	Credit this account with interest earned in your bank account.
307	Revenues - In-Kind Contributions	Credit this account with the value of non-Federal In-Kind resources provided by the Contractor and applied to program activities pursuant to grant requirements.
308	Revenues - Other	Credit this account with revenues received from sources other than those described above.

Detailed Account Descriptions – Expenses

Code	Account Title	Description
400	EXPENSES	
401	Salaries	Debit this account with gross salaries paid to regular employees (full time or part time).
402	Employer's FICA	Debit this account with amounts paid or owed for employer's portion of social security taxes under the Federal Insurance Contributions Act.
403	Unemployment Insurance	Debit this account with the quarterly payment made to New York State Unemployment Insurance.
404	Health and Life Insurance	Debit this account with amounts paid for health and life insurance portion of the employees' fringe benefits.
405	Disability and Workmen's Compensation	Debit this account with amounts paid for employees' Disability and Workmen's Compensation.
406	Salaries-In-Kind	Debit this account with the value of in-kind salaries provided to the program.
410	Consultants	Debit this account with payments to outside specialists or independent contractors such as architects, engineers, teachers, etc.
420	Vehicles	Debit this account with amounts paid for maintenance and repair, garage, gas, inspection/registration, vehicle leases and transportation subcontracts.
430	Equipment Rental	Debit this account for amounts paid for rental of equipment.

Detailed Account Descriptions - Expenses (Continued)

Code	Account Title	Description
440	Travel	Debit this account with local transportation costs (carfare) of program's participants and staff members working in behalf of the contract agency. Staff Travel does not include daily commuting expenses for staff, nor out-of-town travel except when approved in writing by DFTA.
450	Rent	Debit this account with payments for leasing space or amounts for rent. In the case of related party (Sponsor and Program)lease agreements, the Agency is required to calculate a usage charge in lieu of claiming actual cash expenditures for rent.
451	Rent – Usage charge	Use allowance includes interest, utilities, repair & janitorial expenses applicable to the usage area.
452	Rent In-Kind	Debit this account with the value of in-kind rent provided to the program.
453	Utilities	Debit this account with payments for utilities such as heating or electricity costs. (A utility cost paid to a related party must be accounted for under the rent expense for the usage charge).
454	Other Occupancy	Debit All other occupancy cost items belong in the other occupancy category: this may include repairs and maintenance or exterminating charges.
460	Communications	Debit this account with amounts paid for telephone bills, including installation costs, internet charges, faxes, and payments for postage expenses.
470	Printing and Supplies	Debit this account with amounts paid for office supplies, educational and recreational supplies, household and cleaning supplies, replacement items with a unit cost of less than $1,000 or set of like items whose combined cost is under $1,000 such as kitchen utensils and furniture, printing letterhead, duplicating newsletters, leaflets and bank charges.

Detailed Account Descriptions - Expenses (Continued)

Code	Account Title	Description
480	Raw Food/Disposables	Debit this account with the cost of food items bought for preparing daily meals, household supply items and household disposable items.
481	Catered Food/Disposables	Debit this account with the cost of catered meals paid to the caterer as per approved catering agreement. Catering contracts may include the cost of disposables and delivery.
485	Program Insurance	Debit this account with amounts paid for general liability, fidelity bonding, property, fire, and burglary.
490	Other	Debit this account with all budget costs which do not clearly fall under any other category and have specifically been assigned to this category in your budget.
495	Indirect Cost	Debit this account with lump sum charges resulting from application of DFTA-approved overhead percentage rate.
496	Equipment Purchased	Debit this account with payments for purchases of equipment including office machines, furniture, kitchen equipment and generally any non-consumable item costing $1,000 or more or every set of items with a combined total cost of $1,000 or more and with a useful life of more than one year. Equipment items that cost $5,000 or more and sets of similar items with an aggregate cost of $5,000 require five solicitations and three written bids before purchase.
497	Renovations	Debit this account with paid invoices for physical improvements to facilities.
498	One-time Payments	Debit this account with DFTA approved one-time payment expenditures.

NOTE: One-Time Payment expenditures must also be debited to their appropriate budget category.

4.3. Primary Books of Accounts

4.3.1. General Ledger

4.3.1.1. Purpose

A ledger groups related accounts that comprise a complete unit, such as all accounts of a given program.

4.3.1.2. Description

The general ledger is the accounting book in which all financial transactions are summarized by the general ledger accounts. It is comprised of assets, liabilities, revenue, and expenses. At all times, the debit and credit balances in the accounts should be equal.

4.3.1.3. Format

The DFTA program general ledger can be maintained using a computerized general ledger software package. Most software packages allow for entry to the books of account, and immediate posting, using cash disbursement journal, cash receipt journal, journal entry and general journal modules. DFTA allows its contractors to utilize any general ledger software packages, that the contractor has deemed suitable for its program accounting needs. However, each DFTA program must maintain a separate set of books of accounts properly coded.

Regardless of the general ledger accounting software used the general ledger must always be maintained on hard copy as well as on the computer. The hard copy general ledger must be maintained in books of account, organized and easily accessible for audit. In addition, transactions posted to the general ledger should all have the following information:

- Account title and number
- Date
- Description
- Reference
- Debit
- Credit
- Balance

The balance shown at the end of the month in each General Ledger Account should be reflected on the monthly Trial Balance (see section 4.3.2.)

Opening an Account in the General Ledger

Accounts should be opened in the general ledger in accordance with DFTA prescribed account titles and account codes. See pages 4-2 to 4-4 for the acceptable DFTA account titles and account codes for general ledger accounts.

Posting of Cash Receipts and Disbursements

Most General Ledger software packages allow immediate posting of Cash Receipt and Cash Disbursement transactions to the General Ledger. In addition, General Ledger software packages designed for not for profit organizations will have a feature that enables a comparison of budget to actual expenditures at any time during the program year. The monthly Cash Receipts and Cash Disbursements Journals, as well as the monthly budget to actual schedules, should be maintained on hard copy for each month of the program year. They should also be organized in books and available for audit.

Subsidiary Cost Ledgers, allocating all DFTA expenditures, to their respective Service Cost Centers (applicable for DFTA programs with multiple Service Cost Centers only) must be prepared each month using source documents or an acceptable allocation method (see section 4.4).

Posting of Journal Entries and General Journal Transactions

Most general ledger software packages allow immediate posting of Journal Entry and General Journal transactions to the general ledger. The monthly Journal Entry and General Journal transactions should be maintained on hard copy for each month of the program year. They should also be organized in books and available for audit.

4.3.2. Trial Balance

4.3.2.1. Purpose

The trial balance is the first step in developing the financial statement worksheet; it is taken each month after cash-based specialty journals and the general journal have been posted to the general ledger. The purpose of the trial balance is twofold:

- First, it checks the accuracy of posting to the general ledger. The debit and credit columns on the trial balance should equal. Each account balance should be visually checked for reasonableness (the amount and the balance match expectations regarding the account.
- Second, the trial balance facilitates preparation of financial statements (i.e., balance sheet and revenue and expense statements).

4.3.2.2. Description

The trial balance is a listing of all account balances at the end of the month. The trial balance provides the contract agency with a method of tracking their position on a cumulative basis.

4.3.2.3. Format

Most general ledger software packages will automatically produce a Trial Balance based on the entries made to the General Ledger system. The Trial Balance must balance (debits equal credits) and agree with the account balances for each account in the General Ledger.

4.3.3. Cash Receipts and Cash Disbursements Journals

4.3.3.1. Purpose

The Cash Receipts and Cash Disbursements Journals are the books of original entry in which the receipts and disbursements of cash are recorded.

Remittance advices, copied checks and cash collection reports are the source documents used to record transactions involving cash receipts.

Vendor invoices, service agreements, employee timesheets and petty cash vouchers when approved for payment serve as source documents for the preparation of checks.

4.3.3.2. Description

The Cash Receipts and Cash Disbursements Journals should contain the following information:

1. Date of the transaction
2. Explanation - Enter detail of cash receipt or name of Payee for a disbursement
3. Check No. - Enter number of check written for disbursement in chronological order

4.&5. Cash in Bank -
- Debit - Enter the amount of money deposited
- Credit - Enter the amount of the check drawn

6. Revenue – Credit the appropriate revenue account for the amount of revenue received.
7. Personnel – Debit this account with expenses related to:
   - Salaries- employees salaries expense during the month.
   - FICA (Employer's Share) - portion of FICA related to the employer's contribution the month.
   - Unemployment Insurance expense for quarterly payment made to N.Y.S. Unemployment Insurance.
   - Worker's Compensation and disability insurance expenses paid.
8. Consultants - Debit this account for consultants expense during the month.

9. Vehicles - Debit this account for vehicle expenses paid for during the month.
10. Equipment Rental - Debit this account for equipment rental expense paid for during the month.
11. Travel - Debit this account for local transportation cost (carfare) of programs participants and staff members working in behalf of the contract agency during the month.
12. Rent - Debit this account for rent expense paid for the month to a third-party or the usage charge paid to a related party.
13. Utilities – Debit this account for utility charges paid for the month.
14. Other Occupancy – Debit this account for all other occupancy costs.
15. Communications - Debit this account for the postage, telephone, internet and fax expenses paid for during the month.
16. Printing and Supplies - Debit this account with printing and supplies including bank charge expenses paid for during the month.
17. Raw Food/Disposables - Debit this account with Raw Food expenses and household supplies and disposables paid for during the month.
18. Catered Food/Disposables - Debit this account for catered food expense paid for during the month.
19. Program Insurance - Debit this account for insurance expense paid by the program during the month.
20. Other - Debit this account for any other expenses which do not clearly fall into another category and were paid for during the month.
21. Equipment - Debit this account for equipment expense purchased and paid for during the month.
22. Renovations - Debit this account for the cost of renovations paid for during the month.
23. One-Time Payments – Debit this account for the Cost of One-time payments paid during the month.

The Cash Receipts and Cash Disbursements journals should be reviewed for accuracy at the conclusion of each month. They should also be organized, easily accessible and filed in separate books.

4.3.3.3. Format

The following sample entries will be used to demonstrate how to record various transactions in the Cash Receipts Journal and the Cash Disbursements Journal.

Sample financial transactions for the month of July, 20XX

Trans #	Date	Transaction	Account #	Debit	Credit
1.	7/1	Received and deposited an advance check from DFTA for $50,000 at the beginning of the program.	101 201	50,000.00	 50,000.00
2.	7/1	Ck #101 was issued to the Petty Cash custodian (H. Braithwaite) in the amount of $50 in order to establish the Petty Cash Fund.	102 101	50.00	 50.00
3.	7/1	Ck #102 was issued to Con Edison as a security deposit in the amount of $500.	112 101	500.00	 500.00
4.	7/1	Ck #103 was issued to JML Realty Co., for rent in the amount of $2,000.	450 101	2,000.00	 2,000.00
5.	7/15	Participant Contributions, received and deposited in the amount of $600.	101 302	600.00	 600.00
6.	7/15	Cks #104-112 were issued for Payroll for the bi-weekly period ending at 7/14/XX.	401 402 203 204 205 206 101	5,541.90 423.94	 847.88 386.00 160.60 85.25 4,486.11
7.	7/15	Ck # 113 was issued to the Postmaster for the acquisition of stamps in the amount of $30.	460 101	30.00	 30.00
8.	7/15	Ck #114 was issued for $45 to H. Braithwaite (Petty Cash Custodian) in order to replenish the Petty Cash Fund.	440 470 480 101	23.00 20.00 2.00	 45.00

Sample financial transactions for the month of July, 20XX (continued)

Trans #	Date	Transaction	Account #	Debit	Credit
9.	7/18	Ck #115 was issued for meat and dairy products purchased from wholesale vendor for $650.	480 101	650.00	 650.00
10.	7/18	Ck # 116 was issued to Alice Smith (Consultant) in the amount of $100.	410 101	100.00	 100.00
11.	7/18	Ck # 117 was issued to XYZ Transportation Co. for fuel supplied to the truck in the amount $200.	420 101	200.00	 200.00
12.	7/18	Ck #118 was issued for purchases of Recreation & Educ. Supplies and Office & Household Supplies from Kandel & Sons for $600.	470 101	600.00	 600.00
13.	7/18	Ck #119 was issued to J. Jones for garage space in the amount of $50.	420 101	50.00	 50.00
14.	7/25	Ck #121 was issued to R. Lilly (Consultant) in the amount of $100	410 101	100.00	 100.00
15.	7/25	Ck #122 was issued to Remington Rand for purchase of typewriter in the amount of $280.	470 101	280.00	 280.00
16.	7/25	Ck #123 was issued to Catered Service Co. for catered meals in the amount of $2000.	481 101	2,000.00	 2,000.00
17.	7/25	Ck #124 was issued to CompTech for the purchase of one computer in the amount of $2,000.	496 101	2,000.00	 2,000.00
18.	7/29	Ck #125 was issued to Con Edison Co. for utilities in the amount of $300.	453 101	300.00	 300.00

Sample financial transactions for the month of July, 20XX (continued)

Trans #	Date	Transaction	Account #	Debit	Credit
19.	7/29	Ck #126 was issued the New York Telephone Co. for charges in the amount of $150.	460 101	150.00	 150.00
20.	7/29	Participant Contributions received and deposited in the amount of $800.	101 302	800.00	 800.00
21.	7/29	Ck #136 was issued for $2,467.76 to Citibank for payments of FICA and Federal Withholding Taxes for the month.	203 204 101	1,695.76 772.00	 2,467.76
22.	7/29	Ck #137 was issued for $491.70 to the NYS Income Tax Bureau. The check includes both N.Y. State and City Withholding Taxes for the month.	205 206 101	321.20 170.50	 491.70
23.	7/29	Ck #138 issued to TV and VCR Inc. for rent of equipment.	430 101	150.00	 150.00
24.	7/29	Ck # 139 issued to ABC Bug Co. for exterminating service	454 101	100.00	 100.00
25.	7/29	Ck #140 issued to LNH Associated for insurance expense	485 101	425.00	 425.00

4.3.4. General Journal

4.3.4.1. Purpose

The General Journal is the book of original entry in which any entries that do not belong in the Cash Receipts and Disbursements Journal must be recorded.

4.3.4.2. Description

Entries that may appear in the General Journal include:

- adjusting journal entries.
- recurring journal entries.
- reclassifications.

4.3.4.3. Format

In recording an entry in the General Journal the following information is required:

- The date and entry number.
- Account title and account number.
- Amount to be recorded - Debit and Credit.
- A brief and clear description of the transaction.

A. Adjusting Journal Entries

Any adjustment to an account balance in the General Ledger from the amounts posted from the Cash Receipts and Cash Disbursement Journals. This may include an increase or a decrease to an approved DFTA indirect cost rate, petty cash journal entry or a payroll journal entry.

B. Recurring Journal Entries

Consistently recurring amounts required to be recorded each month, such as payroll costs or in-kind transactions.

C. Reclassifications

To correct an erroneous posting to an incorrect account that may have occurred through the posting of Cash Receipts, Disbursements or other General Journal entries.

4.3.4.4. Payroll Accounting

Is important because of the amount of money involved and because the employer must conform to many complex laws governing taxes on payrolls. The employer has many reporting requirements and liabilities for the money withheld from employee's salaries and for payroll taxes.

The payroll system calls for strong internal control and efficient processing and distribution of checks as well as accurate reporting to the government agencies. For filing and tax reporting instructions, see section 7 - Taxes.

4.3.4.5 Payroll Register

Due to the complex nature of payroll accounting, a special journal called a Payroll Register is used to provide a detailed listing of the contract agency's total payroll each pay period. The Payroll Register is a record maintained by an employer showing the name, hours, gross pay, social security number, deductions and the net pay of each employee and the total for all employees. This summarized data is then posted to the General Ledger using the General Journal Entry.

4.4. Allocation of Program Costs to Service Cost Centers

4.4.1. Purpose

The purpose of this section is to provide guidance to DFTA contract agencies on the allocation of program costs to service cost centers. Agencies that have only one service cost center do not have to perform cost allocation. The requirements for maintaining accounting records for cost allocation are specified in the Federal OMB Circular A-122 "Cost Principles for Non-Profit Organizations."

This section does not address the required allocation of costs among multiple programs (DFTA and Non DFTA), nor development of indirect cost rates (See Chapter 8).

Services are the focus of DFTA contracts which are supported by multiple Federal, State and City funding sources. Each service provided is reimbursable by some funding sources, but not others (see chart below). The Department needs to accumulate contract agency cost data by service cost centers to crosswalk to eligible funding sources and claim reimbursement from grantors. An auditable record must be maintained documenting how program expenditures are allocated to each service cost center category.

DFTA Senior Center Funding Sources and Reimbursable Services

DFTA Funding Source	Congregate Meals	Home Delivered Meals	Education Recreation	Transportation	Information and Assistance Services
Title III-B			X	X	
Title III-C-1	X				
Title III-C-2		X			
Tax Levy	X	X	X	X	X
SNAP	X	X			
CSE		X			

Cost Allocation procedures are also essential to enable DFTA to shift Federal, State, and City funds to compensate for changing restrictions or reductions in one funding source relative to others. Otherwise some programs would be unfairly hurt if they were limited to a single funding source.

State and Federal regulations also require participant contribution income and expenditures to be reported by service category. Cost allocation procedures are needed to document on which services participant contributions are spent.

Agencies which receive DFTA funds provide program services in one or more of the following Service Cost Centers:

- Congregate Meals
- Home Delivered Meals
- Education/Recreation
- Case Assistance
- Information
- Social Adult Day Care
- Case Management
- Intergenerational
- Homemaker
- Housekeeper
- Telephone Reassurance
- Transportation
- Shopping Assistance/Chore
- Other Costs Centers May Be Added When Funding Requires

An agency providing any of the above services is required to submit a budget to DFTA for the costs associated with carrying out the services. The budget line item categories are divided into the following expenditure classifications:

- Personnel
- Consultants
- Vehicles
- Equipment Rental
- Travel
- Rent
- Rent-usage charges
- Utilities
- Other Occupancy
- Communications
- Printing/Supplies
- Raw Food/Disposables

- Catered Food/Disposables
- Program Insurance
- Other
- Equipment/Renovations
- One-Time Payments

DFTA requires each agency it funds to maintain books and records on a cash basis which properly account for the program costs by contract, by budget category and then by service cost center. The agency, based on its books and records, is then required on a monthly basis to report to DFTA the actual costs incurred for each contract by the line item categories and by service cost centers. This is reported on the DFTA "Contractor Invoice and Service Report", under the section labeled "Expenditures and Income Report". Chapter 5 of this manual provides instructions on reporting program costs.

Following the guidance on allocation of program costs to service cost centers, a Cost Allocation case study is presented in section 4.4.8.

4.4.2. Allocation Methodology

Costs incurred by contract agencies fall into one of the following:

- Single Service Cost - Directly attributable 100% to a service cost center.
- Allocated Service Cost - Attributable to more than one cost center, therefore, an allocation must be performed to charge the appropriate cost to each applicable service cost center.
- Administrative Cost - Not directly attributable to particular services but necessary in the administration of the program.
- Indirect Cost - Central office costs which cut across programs operated by the same agency and are applied as a rate against the total program costs (Single Service Cost + Allocated Service Cost + Administrative Cost).

DFTA treats administration as an interim "Service Cost Center" in its accounting procedures. The actual costs attributable to Administration are allocated to the administrative category and are subsequently distributed across service cost centers. This allocation is done on a monthly basis for reporting purposes.

Based on the above, a contractor must first determine for each employee and each particular expense whether the employee/expense is a direct program cost, an allocated direct program cost, or an administrative cost. These determinations must be put in writing and kept in a permanent file as illustrated in below sample.

Regardless of which category a particular employee/expense is allocated to, the contract agency will be required to maintain accounting and support records which clearly document how each employee/expense was charged to a particular service cost center. Section 4.4.3 of this chapter provides instructions for personnel costs (salaries and fringe benefits) and Section 4.4.4 of this chapter provides instructions for non-personnel costs.

Cost Allocation Plan Illustration

XYZ Agency

Sample

Cost Allocation Plan

Personnel:

Director: Allocation is 90% Administration and 10% Education/Recreation based upon quarterly time studies.

Assistant Director: Allocation is 85% Administration and 15% Education/Recreation based upon quarterly time studies.

Bookkeeper: Allocation is 100% Administration

Cook: Allocation is 100% Congregate Meals

Custodian: Allocation is 35% Administration, 11% Congregate Meals and 54% Education/ Recreation (based on the square footage of the program's space).

Case Manager: Allocation is 100% Education/Recreation (by type of service category).

Assistant Cook: Allocation is 100% Congregate Meals

Receptionist: Allocation is 100% Administration

Dishwasher: Allocation is 100% Congregate Meals

The table below shows more clearly the cost allocation.

Name	Annual Salary	Bi Weekly Salary	Administration	Congregate Meals	Ed/Rec
(Director)	34,005.00	1,307.88	1,177.09		130.79
(Asst. Director)	21,014.00	808.23	687.00		121.23
(Bookkeeper)	20,600.00	792.31	792.31		
(Cook)	18,540.00	713.08		713.08	
(Custodian)	15,353.00	590.50	212.58	64.96	312.96
(Case Manager)	16,283.00	626.27			626.27
(Asst. Cook)	6,426.00	247.15		247.15	
(Receptionist)	5,875.00	225.96	225.96		
(Dishwasher)	4,992.00	192.00		192.00	
Total	143,088.00	5,503.38	3,094.94	1,217.19	1,191.25

OTPS

Consultants: Time should be allocated to the type of service purchased, e.g., Education/recreation or homemaker service.

Vehicles: Allocation is based on actual usage.

Equipment Rental: Allocation is based on actual usage.

Travel: Allocation is to proper service category based upon actual reason for trip.

Utilities: Allocation is based on square footage of the program's floor space.

Other Occupancy: Allocation is based on square footage of the program's floor space.

Communications: Allocation is 100% administration, for telephone and postage, except where a specific identifiable cost (of telephone or postage) can be attributed to a particular cost center.

Printing/Supplies: Allocation is based on actual usage, as indicated on the invoice for the items purchased.

Raw Food/ Disposables: Allocation is 100% Congregate Meals or prorated based on number of meals served if congregate and home delivered meals are served.

Catered Food/Disposables: Allocation is prorated based upon the meals (units) served if congregate and home delivered are served.

Other expenses: Allocation is based on the actual usage of the items purchased, as indicated on the invoice.

Program Insurance: Allocation is 100% administration.

Rent: Allocation is 35% Administration, 11% Congregate Meals and 54% Education/Recreation, as calculated based on the square Footage of the program's floor space.

See table below for Justification of Rent Allocation.

Space	Total Square Footage	Admin	Cong. Meals	Ed/ Rec
Director's Office (A)	221	198.9		22.1
Dining Room (B)	1,634		217.87	1,416.13
Kitchen	242		242	
Conference Room	209	209		
Exam Room	96	96		
Asst. Director's Office (C)	91	77.35		13.65
Domino Room	235			235
Arts & Crafts Room	374			374
Knitting Room	306			306
Waiting Room	625	625		
Admin. Office	360	360		
Total	4,393	1,566.25	459.87	2,366.88
Total	100%	35%	11%	54%

(A) Director's Office: Total area = 22/sq. Administration is 90% and Ed/Rec 10% based upon quarterly time studies.

(B) Dining Room: Total area = 1634 sq. ft.

Congregate Meals 1 hour

Ed/Rec 6.5 hours

(C) Asst. Director's Office: Total area 91 sq. ft. Administration is 85% and Social Services 15% based upon quarterly time studies.

4.4.3. Allocation of Personnel Costs

Each contractor needs to account for personnel time spent providing a service, administering a service or administering the overall program. In many agencies, a mix of paid and match staff provide a mix of services. Since personnel costs are among the largest expenses for most services, it is important to accurately allocate personnel costs to service cost centers.

4.4.3.1. Types of Personnel Costs

There are two types of personnel costs:

1. Salaries and Wages - Compensation of employees, both full time and part-time, on either a salaried or hourly basis, who perform duties related to the DFTA programs.
2. Fringe Benefits - Includes statutory payroll taxes and related benefits (health, life, disability, worker's compensation, pension, etc.) pertaining to those employees receiving the compensation as described above.

4.4.3.2. Methods of Allocation

Each contract agency should determine and document for each employee, based upon the type of work performed, which work categories the employee falls in:

- Direct Program Service (unallocated)
- Allocated Direct Program Service
- Administrative Service

4.4.3.3 Designation of Employee Status

01. Each agency must determine for each employee, based upon the type of work performed, which work categories as listed in Section 4.4.3.2. an employee falls into. This process should have previously been performed in the preparation of the budget application to DFTA. In addition, the agency should prepare an "Employee Designation Schedule", which would designate employees, as follows:

				Type of work		
				Direct Service		
Name of Employee	Job Position	Full Time	Part Time	Not Alloc.	Alloc.	Administrative

(This schedule would list each employee and their applicable job position and then place an X in the appropriate column for full-time or part-time and type of work.)

02. Based upon which "Type of Work" an employee is engaged in will determine what documentation and recordkeeping DFTA will require as described in Sections 4.4.3.4. and 4.4.3.5.

03. The following are examples of time allocation by job position and type of work:

Director:	Time will be allocated to administration for "overhead" activities as well as to service categories for time devoted to supervising and/or directly providing each service.
Bookkeeper:	Time will be allocated to administration for general bookkeeping functions. However, if the bookkeeper has other responsibilities, such as providing information services or conducting education/recreation activities, the time spent on these responsibilities should be apportioned to the corresponding category.
Social Worker:	Time will be allocated to the various service categories. There should be minimal time allocated to administrative activities. Scheduling and supervision of subordinates should be apportioned to the corresponding service category such as education/recreation or case assistance.
Secretary:	All time spent on general secretarial, clerical and receptionist duties will be allocated to administration. However, if the secretary's formal responsibility includes providing information on entitlements or services, time should be apportioned to this service category.
Cook:	All time should be apportioned between congregate meals and home-delivered meals based on the proportion of meals in each category.
Kitchen Aides/Asst:	Same as Cook
Custodian:	Time will be allocated based on square footage of the program's floor space.
Homemaker:	All time should be allocated to homemaking service.
Housekeeper/Chore:	All time should be allocated to housekeeping service.
Driver:	Time may be allocated to transportation, home delivered meals or congregate meals depending on the amount of time spent transporting clients, meals to the homebound or meals to satellite sites.
Friendly Visitor:	All time should be allocated to friendly visiting.
Telephone Reassurance/ Volunteer:	All time should be allocated to telephone reassurance.

4.4.3.3.1 Forms to be Used

The Employee Designation Schedule is a form which helps the agency determine which positions require allocation. (See reverse page)

The "Type of Work" an employee is engaged in will determine what documentation and record keeping DFTA will require as described in the following Section 4.4.3.4.

Employee Designation Schedule

Name of Employee	Job Position	Fulltime	Part-Time	Not. Alloc.	Alloc.	Administration
1	2	3	4	5	6	7

Instructions for Completing Employee Designation Schedule

Data Element Number	Element Name	Instructions
1	Name of Employee	List the name of employee.
2	Job Position	List the job position.
3	Full Time	Identify whether the employee is considered full time.
4	Part Time	Identify whether the employee is considered part time.
5	Not Alloc.	Identify whether the employee's expense is not allocated.
6	Alloc.	Identify whether the employee's expense is allocated.
7	Administrative	Identify whether the employee is considered administrative

4.4.3.4. Time and Attendance Record

For all employees (full-time or part-time) a time and attendance record must be maintained for each pay period throughout the duration of contract operations. This time and attendance record should include the following information for each employee:

- Name of Employee
- Time period Covered
- Designation of actual hours worked by day of the week
- Indication, if applicable, of holidays, sick leave, vacation or other approved personal time off.
- Signature of Employee
- Signature of Employee's supervisor to indicate approval of the hours worked listed on the time and attendance record are accurate and complete.

The time and attendance record described above is to be utilized throughout the period of program operations.

4.4.3.5. Time and Attendance Allocation

The Time and Attendance Record does not provide adequate documentation for an employee whose functions are split among various Program Service Cost Centers and/or Administration. Where an employee does not have 100% of his/her working hours devoted to either one Service Cost Center or Administration, then a record must be prepared to properly allocate the employee's work hours. The type of supporting record to document the allocated time is either:

A. Time and Attendance Record of actual time expended by service cost center or a quarterly two week time study.

B. For employees whose work hours are associated with food service, an allocation of salaries and wages, based upon the number of meals served, between congregate and home delivered meals service cost centers.

C. For employees whose work hours are associated with homecare, an allocation of salaries and wages between Home Making Services or Housekeeping Services cost centers based on the number of hours of service delivered.

D. <u>For any employee, whose time is devoted to more than one cost center other than meals or Homecare, a record must be maintained to properly allocate salaries and wages to a particular service cost center. This record can be in the form of either</u>:

- A daily attendance record for each employee, which designates hours worked by each day for the specific service cost center in which work was performed; or
- A time study performed on one pay period for each calendar quarter for each employee.

TIME SHEET/TIME SUMMARY

EMPLOYEE NAME: _____ TWO WEEK PERIOD ENDING: _____

TITLE _____ POS WORK _____

SERVICE COST CENTER	1 16	2 17	3 18	4 19	5 20	6 21	7 22	8 23	9 24	10 25	11 26	12 27	13 28	14 29	15 30	31		Total Hours
Administration																		
Congregate Meals																		
Home Delivered Meals																		
Education/Recreation																		
Information																		
Case Assistance																		
Transportation																		
Total Hours Worked																		
Annual Leave																		
Holidays																		
Sick Leave																		
Administrative Leave																		
Total Leave Hours																		
Total Hours Worked & Leave Hours																		

Employee Signature: _____ Date: _____ Approved by: _____Date: _____

Daily Attendance Allocation Method

Where an agency chooses to allocate salaries and wages to DFTA Service Cost Centers for a particular employee, based upon actual time expended, then a detailed time and attendance record should be maintained. This time record is maintained for each payroll period.

The time and Attendance record should include the following information for each employee to be allocated:

- Name of Employee
- Time period covered
- Designation of actual hours worked by day of the week by Service Cost Center
- Indication, if applicable, of holidays, sick leave, vacation, or other approved personal time off.
- Signature of Employee
- Signature of employee's supervisor to indicate hours listed by Service Cost Center on the time and attendance record is accurate and complete.

Instructions for Completing Time Sheet/Time Summary

Data Element Number	Element Name	Instructions
1	Service Cost Center	Enter the different service Cost Centers.
2	Days of the Week	Record the hours worked for that specific date in the designated Service Cost Centers.
3	Total hours	Add the total hours for the time period by the Service Cost Center and place in this column

Time Study Allocation Method

This method is only applicable when a pay period is a barometer of their normal recurring activities. Otherwise, daily attendance allocation method must be used. Where daily allocated time and attendance records are not required, then a time study must be used. This time study requires each employee whose time must be allocated to maintain a time and attendance record as previously discussed (see section 4.4.3.5) for one payroll period per calendar quarter as follows:

Quarterly Period	Time Study Period
July 1 to September 30	One full pay period during the month of July.
October 1 to December 31	One full pay period during the month of October.
January 1 to March 31	One full pay period during the month of January.
April 1 to June 30	One full pay period during the month of April.

When the time study allocation method is used, a few potential problems may occur. The following is a listing of some of those problem areas and the recommended DFTA solution.

Problems and Recommended DFTA Solution

Problem Area	DFTA Solution
The DFTA funding/contract does not commence on July 1st.	Select a full pay period during the first month of program operation where an allocation of salaries and wages is appropriate.
An individual employee does not work for a full pay period because of holidays, vacation, sick leave, or other authorized time off.	DFTA requires that for a payroll period to qualify for a time study the employee must have worked for at least one-half of the pay period, exclusive of time off for vacation, sick or other leave.
An individual is hired in the middle of the pay period selected for the time study.	The one-half pay period worked minimum time study rule stated above will also apply to the newly hired employee.
We have multiple employees who are subject to allocation. However, due to vacation, sick or other leave only some of these employees will actually work the full pay period selected for the time study. What allocation is done for the remaining employees?	DFTA does not mandate which specific pay period in the month is to be utilized for the time study; therefore, an agency may utilize the first pay period of the month for certain employees and the second pay period in the month for other employees.

Problems and Recommended DFTA Solution (Continued)

What if an employee works less than one-half a pay period and those days are the last work days of the month in which a time study is required?	The employee must complete a time and attendance time study record for the actual days for the first month. This allocation will be utilized for that invoice only. Since the time study is not enough days, the agency must have the employee complete another time allocation time sheet for the next full pay period.

In all cases the actual completed time and attendance record for the time study period becomes the basis for allocating the salaries and wages for a particular employee for a specific calendar quarter. The agency must remember that the basis of allocation is applicable to only the calendar quarter. Each calendar quarter requires an entirely new study which may change the allocation among the DFTA Service Cost Centers. For example, the July allocation is only applicable to the months of July, August, and September. In October a new time study is needed for the months of October, November and December.

In determining the percentage of time to be allocated to each service/cost center on the Allocation Distribution Worksheet, only the actual hours worked are utilized. Hours chargeable under compensated absences, such as annual leave, holidays, sick leave and administrative leave are not to be utilized in the calculation of allocated time.

The time and attendance record for a time study pay period is the time record for that particular pay period.

Allocation of Salaries and Wages based upon Time and Attendance Records

After the employee completes a time and attendance record for allocated payroll, (either actual for each pay period or a time study), the results must be converted for an allocation of actual salaries and wages.

The agency must convert the allocated hours to a percentage as it relates to the total hours in a pay period with the total percentage being 100%. For example, where an employee has time allocated to social services and congregate meals and administration, the following illustrates a time period under a time study:

Allocation Distribution Worksheet

For the Month Ending: _____

Employee Name: _____

Position: _____

Service Cost Center	(C) Time Study Period Total Hours	% of Time Per Service Cost Center	Gross Payroll Allocation	Gross Fringe Benefit Allocation	Total P/R & Fringe Allocation
Administration					
Congregate Meals					
Home Delivered Meals					
Education/Recreation					
Information					
Case Assistance					
Transportation					
Subtotal		100%			
Total leave hours		N/A	N/A		-0-
Total		100%			

Education/Recreation	20 Hours
Congregate Meals	40 Hours
Administration	20 Hours
Total	80 Hours

Based upon the above, actual salaries and wages would be allocated as follows:

Education/Recreation	25% of Salaries and Wages (20 hours /80 hours)
Congregate Meals	50% of Salaries and Wages (40 hours/ 80 hours)
Administration	25% of Salaries and Wages (20 hours/ 80 hours)

In order to properly document the conversion of the actual hours worked to a percentage of the payroll, the agency must prepare an "Allocation Distribution Worksheet". This worksheet is to be prepared for each allocated employee for each pay period subject to the allocation.

Instructions for Completing the Allocation Distribution Worksheet

Data Element Number	Element Name	Instructions
1	Service Cost Centers	Cost Center in which work was performed.
2	Time Study Period Total Hours	Hours worked for the period, in each cost center then total.
3	Percent of Time per Service Cost Center	Divide the hours per Service Cost Center by the total hours.
4	Gross Payroll Allocation	The allocated salaries and wages for that employee for the month of the time study and for the two succeeding months within the quarter.
5	Gross Fringe Benefit Allocation	The total allocation of fringe benefits, based on % in #3.
6	Total Payroll and Fringe Allocation	The total allocation of both the payroll and the fringe benefits.

Allocation of Salaries and Wages - Food Service Employees

Where an agency only has one type of food service, either congregate meals or home delivered meals, no allocation is necessary based upon meals served. Employees working 100% of their time under one food service cost center are chargeable to that service cost center.

Where an agency provides congregate meals and home delivered meals, and where some or all employee salaries are chargeable 100% to food programs (such as the cook, assistant cook, dishwasher, food service manager), salaries and wages for these employees must be allocated between congregate meals and home delivered meals.

In order to assist the agency in the allocation process, a " Food Salary Distribution Worksheet" needs to be prepared each month listing all employees to be allocated.

Prior to completing the "Food Salary Distribution Worksheet", the agency must determine the total units of service (meals served) for congregate meals and home delivered meals. This information is derived from the "Schedule of Raw Food Allocation Based on Units Delivered". (See section on Non-Personnel Services for more detail on this schedule.) This schedule converts the actual meals served for congregate and home delivered meals to a percentage of total meals served. The percentage derived from this calculation, performed on a monthly basis for raw food costs, is the basis to allocate salaries and wages of food service employees between congregate meals and home delivered meals.

FOOD SALARY DISTRIBUTION WORKSHEET
FOR THE MONTH OF: _____

A. # of units – Congregate Meals:
B. # of units – Home Delivered Meals:
C. Total units: (A + B)
D. % of units that are for Congregate Meals (A÷C)
E. % of units that are for Home Delivered Meals (B÷C)

		For the Month Ending							
Employee Name	Position	Gross Payroll	Fringe Benefits	Congregate Meals Salary & Fringe Benefit Allocation % (D)	Home Delivered Meals Salary & Fringe Benefit Allocation % (E)	Congregate Meals Salary Amount	Congregate Meals Fringe Benefit Amount	Home Delivered Meals Salary Amount	Home Delivered Meals Fringe Benefit Amount
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
TOTAL									

Instructions for Completing the Food Salary Distribution Worksheet

Data Element Number	Element Name	Instructions
1	Employee Name	Enter the employee's name.
2	Position	Enter the employee's position.
3	Gross Payroll	Enter the employee's gross payroll for the month from the payroll register
4	Fringe Benefits (FB)	Enter the amount of fringe benefit for the month for that employee.
5	Congregate Meal Salary & FB Allocation %	Take the number of units of congregate meals and divide by the total number of meals to determine the %.
6	Home Delivered Meals Salary & FB Allocation %	Take the number of unit of home delivered meals and divide by the total number of meals to determine the %.
7	Congregate Meal Salary Amount	Take the total salary for the month and multiply by the Congregate % allocation to determine the salary amount related to Congregate Meals.
8	Congregate Meal Fringe Benefit (FB) Amount	Take the total FB for the month and multiply by the Congregate % allocation to determine the FB amount related to Congregate Meals.
9	Home Delivered Meal Salary Amount	Take the total salary for the month and multiply by the Home Delivered % allocation to determine the salary amount related to Home Delivered Meals.
10	Home Delivered Meal Fringe Benefit Amount	Take the total FB for the month and multiply by the Home Delivered Meals % allocation to determine the FB amount related to Home Delivered Meals.

4.4.3.6. Fringe Benefits

Fringe Benefits are part of personnel costs which are billable to DFTA. In order to properly charge to DFTA, an agency can determine the fringe benefit amount by either:

- Actual fringe benefits incurred for employees working for a DFTA program, or;
- Establishment of a fringe benefit percentage rate which is applied/calculated against actual salaries and wages.

For both of the above methods the agency must have documentation to support the fringe benefits incurred. Such documentation would include tax returns for all statutory payroll taxes and vendor invoices, insurance policies or other agreements for other fringe benefits.

Where a fringe benefits rate percentage is utilized, the agency must have documentation available which provides the basis of the calculated fringe benefits rate.

Once an agency has determined the amount and basis of the fringe benefits, the amount needs to be allocated, when appropriate to the various service cost centers. The amount to be allocated to a specific cost center is based upon the corresponding salaries and wages allocated to that specific cost center. If the agency is providing service under only one cost center, no allocation is necessary.

In determining the amount to be allocated, the agency may perform the calculation based on either:

- The actual fringe benefits incurred by employee by service cost center; or
- Allocation of the fringe benefits based upon the salaries and wages allocation.

4.4.3.7. Books of Account for Personnel Costs

The format of the agency's books of account should detail each budget category by service cost center(s). Where an agency's books of account are maintained by the budget category only, the agency must prepare and maintain appropriate worksheets and supporting records which detail expenditures by service cost centers for each budget category. These worksheets and supporting records should then be summarized by budget category and service cost center so that the total expenditures can be reported to DFTA. This can be done with a "Subsidiary Cost Ledger", which is completed on a monthly basis for each budget category.

The monthly amounts from this ledger are then recorded in a "Schedule of Monthly Costs by Service Cost Center".

Instructions for Completing the Subsidiary Cost Ledger

Data Element Number	Element Name	Instructions
1	Total	Enter the total cost for the programs for that month
2	Administration	Enter the total amount applicable to administration for the month
3	Congregate Meals	Enter the total amount applicable to Congregate Meals for the month.
4	Home Delivered Meals	Enter the total amount applicable to Home Delivered Meals for the month.
5	Education/Recreation	Enter the total amount applicable to Education/Recreation for the month.
6	Information	Enter the total amount applicable to Information for the month.
7	Transportation	Enter the total amount applicable to Transportation for the month.
8	Homemaking	Enter the total amount applicable to Homemaking for the month.
9	Housekeeping	Enter the total amount applicable to Housekeeping for the month.
10	Intergenerational	Enter the total amount applicable to Intergenerational/DYS for the month.

Subsidiary Cost Ledger
Expense Account:_____
For the period:_____

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Information	Transportation
July							
August							
September							
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

Instructions for Completing the Schedule of Monthly Costs by Service Cost Center

Data Element Number	Element Name	Instructions
1	Total Costs	Enter the total cost for the month by individual budget line item.
2	Admin	Enter the portion of the total cost for the month that relates to Administration by budget line item.
3	Congregate Meals	Enter the portion of the total cost for the month that relates to Congregate Meals by budget line item.
4	Home Delivered Meals	Enter the portion of the total cost for the month that relates to Home Delivered Meals by budget line item.
5	Education/Recreation	Enter the portion of the total cost for the month that relates to Education/ Recreation by budget line item.
6	Information	Enter the portion of the total cost for the month that relates to Information by budget line item.
7	Transportation	Enter the portion of the total cost for the month that relates to transportation by budget line item.
8	Adjustments	Enter adjustments to correct books and/or reporting. Allocate to applicable cost centers.
9	Administration - Allocation	Admin is allocated to the cost centers base on a cost % of each cost center to the total costs.
10	Interest Income	Interest income is allocated in full to the largest service cost center and subtracted.
11	Contributions	Enter the portion of the total for the month allocated to the cost centers from which they are collected.
12	Indirect Rate	Compute the indirect cost amount by multiplying the approved rate by total direct cost and each cost center. Enter amounts in appropriate cost centers and total column.
13	Reimbursement Claimed	Enter the sum of the direct and indirect costs by cost center and in total.

SCHEDULE OF MONTHLY COSTS BY SERVICE COST CENTER

FOR THE MONTH OF: _____ 20XX__

	Total Costs	Admin.	Congregate Meals	Home Delivered Meals	Education/ Recreation	Information/ Case Assistance	Transportation
Personnel	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Consultants							
Vehicles							
Equipment Rental							
Travel							
Rent							
Rent-Usage Charges							
Utilities							
Other Occupancy							
Communications							
Printing/Supplies							
Raw Food/ Disposables							
Catered Food/ Disposables							
Program Insurance							
Other							
Total							
Adjustments (8)[1]							
Adjusted Total							
Admin. Allocation (9)	xxxxxxxxxx					N/A	N/A
TOTAL COSTS							
Less Interest Income (10)[2]		xxxxxxxxxx					
Less Contributions (11)[3]		xxxxxxxxxx					
TOTAL DIRECT COSTS		xxxxxxxxxx					
INDIRECT RATE (12)		xxxxxxxxxx					
Reimbursement Claimed (13)		xxxxxxxxxx					
ADMIN ALLOCATION							

NOTES:

(1) Adjustments are allocated to applicable service cost centers.

(2) Interest income allocated to the largest service cost center.

(3) Contributions are allocated to all applicable service cost centers.

4.4.4. Allocation of Non-Personnel Costs (OTPS)

4.4.4.1. Types of Non-Personnel Costs

Non personnel costs in DFTA contracts encompass the following budget categories:

- Consultants
- Vehicles
- Equipment Rental
- Travel
- Rent
- Rent-Usage Charges
- Utilities
- Other Occupancy
- Communications
- Printing/Supplies
- Raw Food/Disposables
- Catered Food/Disposables
- Program Insurance
- Other

4.4.4.2. Methods of Allocation

When an agency is providing service under only one service cost center, then any allowable cost incurred in any of the categories listed above is reportable to DFTA and chargeable to that one service cost center.

When an agency is providing multiple services for DFTA, the agency must determine which non-personnel costs are applicable to one particular service cost center only, and which must be allocated among cost-centers.

A non-personnel cost is chargeable to a service cost center in one of the following areas:

- Direct Program Service (allocated to one service cost center)
- Allocated Direct Program Service (allocated to multiple service cost centers)
- Administrative Service

Even though an agency may have multiple service cost centers, that does not necessarily indicate that every cost is subject to allocation. In many instances, the agency, can determine to which cost center a specific expenditure applies (based on the goods or services received). Examples of unallocated expenditures are as follows:

- Food costs incurred in purchasing catered meals from a vendor to be distributed under a home meals program are chargeable to the home delivered meals service cost center.
- A consultant engaged to provide specific services in a social service program is chargeable to the social services cost center.
- Local travel expenses for an administrative employee to attend a meeting is chargeable to the category of administration.

It is also possible that each item on a multiple item invoice can be separately identifiable by specific cost center. These items do not need to be allocated. For example, an invoice can have multiple types of purchases, each of which can be separately identified and chargeable to a different cost center, such as administrative supplies, Social service supplies and Congregate meals supplies.

In all instances where a particular expenditure is directly chargeable, the particular vendor invoice or other source document supporting the expenditure must have, at a minimum, an indication of:

- The budget category to which the particular expenditure is chargeable; and
- The Service cost centers to which the invoice in total is chargeable; or
- The service cost centers to which an invoice, with multiple items, is chargeable with a corresponding indication of the item to be charged to that service cost center.

Regarding the proper designation of a particular invoice by cost category and service cost center, DFTA recommends that each invoice paid with DFTA funds have a stamp affixed to the invoice with the following information completed:

DFTA ID No. _____

DFTA Contract No. _____

DFTA Cost Category _____

Service Cost Center Allocation:

- _____ $ _____
- _____ $ _____
- _____ $ _____
- _____ $ _____
- _____ $ _____

Agency Account Code _____

Date Paid _____ Check No. _____

Prepared By: _____

Approved By: _____

4.4.4.3. Allocation of Non-Personnel Costs

In certain instances a particular non-personnel expenditure is not directly chargeable, but is subject to allocation among various service cost centers. Such allocations may occur in the following instances:

Budget Category	**Allocation Process**
Rent	The allocation is based upon the square footage utilized in the performance of administrative functions and program service cost centers. For example, the agency paid the landlord $1,300 for rent. The total square footage of the senior center is 1,300 square feet, broken down as follows: Kitchen and eating area — 400 Sq. Feet — 31% Program office - Safe Streets — 100 — 7% Program coord. office and program area — 400 — 31% Administrative offices — 400 — 31% TOTALS — 1,300 — 100%
Raw Food or Catered Meals	When purchased to provide both congregate and home delivered meals, the allocation is based upon the ratio of the meals (units) served for each type of service.

Where raw food is purchased in order to prepare meals for congregate and home delivered meal services, the agency needs to allocate the food purchases between these two service cost centers. The food purchase costs are allocated between the two service cost centers based upon the meals (units) served for each service as a percentage of total meals served for both congregate and home delivered meals. In order to facilitate the calculation of the allocation of food purchases, the agency prepares a "Schedule of Raw Food Allocation Based on Units Delivered", which is included at the end of this section. This schedule should be prepared each month in order to properly allocate the food costs based upon each month's units of service. The schedule includes the information for an entire program year.

The agency may incur non-personnel expenses which are not directly chargeable or allocable under the circumstances described above. In these instances the allocation of the particular expenditures should be calculated on a reasonable allocation basis. This allocation must be clearly documented and maintained by the agency as substantiation of the expenditure allocated to a service cost center.

4.4.4.4. Books of Account for Non-Personnel Costs

The guidance provided in the section on Personnel Costs (4.4.3.7.) applies equally here.

Instructions for Completing the Schedule of Raw Food Allocation Based on Units Delivered

Data Element Number	Element Name	Instructions
1	Congregate Meal Units	Enter number of congregate meal units delivered for that month
2	% of Congregate Meals	Enter the % of Congregate Meals delivered on the basis of the total meals delivered (calculated after entering #3 and #5)
3	Home Delivered Meals Units	Enter the number of Home Delivered Meal Units delivered for that month
4	% of Home Delivered Meals	Enter the % of Home Delivered Meals on the basis of the total meals delivered for the month (calculated after entering #5)
5	Total Meal Units	Enter the total number of meal units (congregate meal and home delivered)
6	Total Raw Food	Enter the total raw food expenses for the month in total dollars.
7	Congregate Meal Raw Food	Take the % of congregate meals delivered for the month and multiply that amount by the total raw food expense for the month to arrive at the total congregate meal raw food $
8	Home Delivered Meal Raw Food	Take the % of Home delivered Meals for the month and multiply that amount by the total raw food expense for the month to arrive at the total home delivered meal raw food

SCHEDULE OF RAW FOOD ALLOCATION BASED ON UNITS DELIVERED

July 1, 20__ to June 30, 20__

	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)
	Congregate Meal Units		% Congregate Meals		Home Delivered Meal Units		% Home Delivered Meals		Total Meal Units		Total Raw Food		Congregate Meal Raw Food $		Home Delivered Meal Raw Food $
07/XX															
08/XX															
09/XX															
10/XX															
11/XX															
12/XX															
01/YY															
02/YY															
03/YY															
04/YY															
05/YY															
06/YY															
TOTAL															

4.4.5. Administrative Costs

Many contract agencies incur administrative costs. The agency will be designating certain employees' salaries, wages, and fringe benefits and non personnel costs to administrative costs.

Administrative costs are subject to allocation among service cost centers. This allocation is important when the agency has program operations in various service cost centers.

All administrative costs need to be totaled and allocated to each service cost center. The basis of the allocation of administrative costs is the total program costs by service cost category (exclusive of administrative costs) as a percentage of total costs. The following example illustrates this allocation basis:

Budget Category	Administration	Total	Congregate Meals	Case Assistance	Education/ Recreation
Personnel	$3,000	8,000	5,000	2,000	1,000
Consultants	500	1,000		1,000	
Raw Food		10,000	10,000		
Supplies	1,000	2,000	1,000		1,000
Total		21,000	16,000	3,000	2,000
Administrative Costs	4,500				
Administrative Cost Allocation	(4,500)	4,500	3,429 (a)	643 (b)	428 (c)
Total Costs	$0	25,500	19,429	3,643	2,428

(a) $16,000/21,000 =76.2 % x 4,500

(b) $3,000/21,000 = 14.3% X 4,500
(c) $2,000/21,000 = 9.5 % x 4,500

The administrative cost allocation must be performed on a monthly basis in order to properly reflect the costs by service cost center and subsequently report those costs to DFTA. This must be entered on the "Schedule of Monthly Costs by Service Cost Center

4.4.6. Program Contribution Revenues/Expenditures

An agency operating a DFTA program must provide the opportunity for each senior to make voluntary contributions for any type of meal (breakfast or lunch) provided. In addition, a contribution is collected for each guest or staff or food handler

meal (breakfast or lunch) provided to a person under 60 years of age.

Contributions are part of the DFTA budget and are deducted from expenses reported on the monthly invoice claim. In this method a ledger account should be set up for contributions. A subsidiary account should be established to record the allocation of contributions based on the services from which they were collected.

4.4.7. Program Interest Income

Any interest income earned on DFTA grant funds is a reduction of any reimbursement due from DFTA, and is to be reflected on the "Monthly Contractor Invoice and Service Report" under the category of Bank Interest Income.

The interest income must also be reflected as a reduction to the total costs allocated by service cost center. The interest income should be a reduction to only the service cost center with the largest net budgeted reimbursable grant funds.

4.4.8. Cost Allocation Case Study

In order to illustrate the application of the cost allocation methodology, the following sections and exhibits are utilized to take the reader through a sample DFTA agency accounting and ultimate preparation of the "Contractor Invoice and Service Report" (See Chapter 5 for a full discussion of Processing of Claims to DFTA). The completed worksheets and forms appear at the end of this section.

4.4.8.1. Agency Information

Name of Agency: Helping Senior Center

DFTA Budget Period: July 1, 20XX to June 30, 20XX

DFTA Contract No.: 2X00012345

Annual Service Delivery Plan and Budget:

Service	Planned Annual Units	Annual Service Grant Funds Budgeted
Congregate Lunch	8,000	$ 75,000
Education/Recreation	1,200	$ 25,000
Home Delivered Meals	2,400	$ 50,000
Information	400	$ 25,000
Total Service Cost Grant Funds		$ 175,000
Equipment/Renovations		$ 3,000
One-Time Payments		$ 0
Central Insurance		$ 16,000
Contingency Fund		$ 0
Total Project Grant Funds		$ 194,000
Contractor Match		$ 0
Anticipated Income		$ 8,500
Total Project Costs		$ 202,500

Approved Category Budget

Personnel	$ 70,000
Consultants	8,000
Rent	15,600
Communications	1,200
Printing/Supplies	2,200
Raw Food/Disposables	70,000
Indirect Costs	8,000
Total	$ 175,000
Less: Income	8,500
Reimbursable Costs	$ 166,500

Designation of Employee Status **Direct Services**

Name of Employee	Job Position	Full Time	Part Time	Not Alloc.	Alloc.	Admin.
Jill Smith	Director	X				X
Joe Green	Bookkeeper	X				X
Karyn Morris	Program Coord.	X			X	
Jane Short	Secretary	X				X
Bill Long	Cook	X			X	
Steve Wood	Driver		X	X		

4.4.8.2. Units of Service Provided

During the month of September 20XX, the Agency provided the following actual units of service:

Types of Service	Actual Units
Congregate Lunch	630
Education/Recreation	120
Home Delivered Meals	200
Case Assistance	40
Guest / Staff Meals	5
Food Handlers Meals	10

4.4.8.3. Pertinent Accounting Information for Preparation of "Contractor Invoice and Service Report"

The invoice to be prepared and submitted to DFTA is for the month of September 20XX.

The following Salaries and Wage chart details the expenditures during the month of September.

Employee	Total Gross Wages September
Jill Smith	$ 1,500
Joe Green	1,000
Karyn Morris	1,000
Jane Short	650
Bill Long	600
Steve Wood	300
Total	$ 5,050

The preceding gross wages were generated from the following documents:

Description	Exhibit Reference
Jill Smith had 176 hours of recorded time during the month.	
Joe Green had 176 hours of recorded time during the month.	
Karyn Morris had 176 hours of recorded time during the month. Her time study time sheet for the second payroll period in July 20XX (16th to 31st) and the determination of gross wages by cost center is calculated on the "Allocation Distribution Worksheet".	Time sheet Allocation Detail Worksheet
Jane Short had 176 hours of recorded time during the month.	
Bill Long had 176 hours of recorded time during the month and his gross wages for the month of September were allocated between congregate lunches and home delivered meals and the allocation calculation is illustrated on the "Food Salary Distribution Worksheet".	Food Salary Distribution Worksheet
Steve Wood had 63 hours of recorded time during the month.	

Fringe benefits:

Payroll tax expense	$450
Other fringe benefits	$310
Total	$760

The total gross wages and fringe benefits allocated to the service cost centers are summarized on the "Subsidiary Cost Ledger" for salaries and wages and fringe benefits.

Consultants:

A payment was made to one consultant in the amount of $750. This consultant was hired and performed work for the education recreation program. In addition, it was noted that a $125 error was made in August 20XX, claiming costs for consultants which pertain to raw food.

Total consultant costs allocated to the service cost centers are summarized on the "Subsidiary Cost Ledger" for Consultants.

Rent:

The agency paid the landlord $1,300 for rent. The total square footage of the senior center is 1,300 square feet, broken down as follows:

Description	Square Feet	Percentage
Kitchen and Eating Area	400	31%
Program Office	100	7%
Program Coord. Office and Program Area	400	31%
Administrative Offices	400	31%
TOTAL	1,300	100%

In addition, it was discovered that rent was under charged for August, 20XX in the amount of $200. The rent expense allocated to the service cost centers is summarized on the "Subsidiary Cost Ledger" for Rent.

Communications:

A payment was made to the telephone company in the amount of $110. The agency determined there is no reasonable basis to directly charge telephone costs by service cost center, therefore, the $110 is being charged to administration.

The total communications expense allocated to the service cost centers is summarized on the "Subsidiary Cost Ledger" for Communications.

Printing Supplies:

A payment was made to a vendor in the amount of $480. This payment was for one invoice which consisted of the following:

Item	Amount
Photocopy paper and supplies	$ 120
Paper plates, napkins and cups	360
	$ 480

The invoice from the vendor had the following payment stamp:

DFTA ID No. 9X100

DFTA Contract No. 200X12345

DFTA Cost Category Printing/Supplies

Service Cost Center Allocation:

- Administration $120
- Congregate Meals $360
- _____ $_____
- _____ $_____
- _____ $_____

Agency Account Code 470

Date Paid 9/27/XX Check No. 327

Prepared By: Joe Greene

Approved By: Jill Smith

The total printing/supplies expense allocated to the service cost centers is summarized on the "Subsidiary Cost Ledger" for Printing/Supplies.

Raw Food:

During September, the agency expended $5,825 on raw food utilized in the preparation of congregate lunches and home delivered meals.

The raw food costs were allocated between congregate lunches and home delivered meals based upon the actual units of service for the month of September (Schedule of Raw Food Allocation based on Units Delivered), which resulted in the following allocation:

Congregate Lunches	$ 4,427
Home Delivered Meals	$ 1,398
	$ 5,825

The total raw food expense allocated to the service cost centers is summarized on the "Subsidiary Cost Ledger" for Raw Food.

4.4.8.4. Contribution Revenues and Expenditures

The total amount of contributions collected and spent was $668 for the following services:

Service Type	Amount
Transportation	30
Congregate Lunch	428
Home Delivered Meals	195
Guest/ Staff Meals	8
Food Handlers	7
Total Contributions	$668

4.4.8.5. Preparation of DFTA "Contractor Invoice and Service Report" (see section 5.3)

In order to complete the DFTA "Contractor Invoice and Service Report" a summary schedule of all of the DFTA grant fund expenditures, interest income and contributions was prepared, (Schedule of Monthly Costs by Service Cost Center). This exhibit captures the direct program costs and allocates administrative costs.

After completing the "Schedule of Monthly Costs by Service Cost Center", the numbers are then transferred to the appropriate corresponding budget categories (Column A) and service costs centers (breakout of reimbursement claimed) on the "Contractor Invoice and Service Report" Part I "Expenditure and Income Report".

In order to complete the "Contractor Invoice and Service Report" - Part II "Service Delivery Report", the information is taken from the agency's supporting records.

For details concerning the completion of the "Contractor Invoice and Service Report parts I and II see Section 5 "Processing of Claims to DFTA".

TIME SHEET/TIME SUMMARY

Two Week Period Ending July 31, 20XX

Position: Program Coordinator

EMPLOYEE NAME: Karyn Morris

Position / Title: Program Coordinator

	Hours by day of the month																	
SERVICE COST CENTER	1 16	2 17	3 18	4 19	5 20	6 21	7 22	8 23	9 24	10 25	11 26	12 278	13 28	14 29	15 30	31		Total Hours
Administration	1			2	0	1	3	0			0	0	0	0	1			8
Congregate Meals	0			0	0	2	0	4			0	2.5	3.5	4	7			23
Home Delivered Meals	2			0	1	0	0	0			0	0	0	4	0			7
Education/Recreation	4			5	7	4	2	2			0	3.5	1.5	0	0			29
Case Assistance	1			1	0	1	4	2			4	2	3	0	0			18
Transportation																		
Total Hours Worked	8			8	8	8	9	8			4	8	8	8	8			85
Annual Leave											2							2
Holidays																		
Sick Leave											2							2
Administrative Leave																		
Total Leave Hours	0			0	0	0	0	0			4	0	0	0	0			4
Total Hours Worked & Leave Hours	8			8	8	8	9	8			8	8	8	8	8			89

Employee Signature: _____ Date: _____ Approved by: _____Date: _____

HELPING SENIOR CENTER
Allocation Distribution Worksheet
For the month ending September 30, 20XX

Employee Name: Karyn Morris

Position: Program Coordinator

Service Cost Center	(C) Time Study Period Total Hours	% of Time Per Service Cost Center	Gross Payroll Allocation	Gross Fringe Benefit Allocation	Total P/R & Fringe Allocation
Administration	8	9%	$ 90.00	$ 13.50	$ 103.50
Congregate Meals	23	27%	$ 266.00	$ 39.90	$ 305.90
Home Delivered Meals	7	8%	$ 84.00	$ 12.60	$ 96.60
Education/Recreation	29	34%	$ 340.00	$ 51.00	$ 391.00
Case Assistance	18	22%	$ 220.00	$ 33.00	$ 253.00
Transportation	0	0%	$ -0-	$ -0-	$ -0-
Subtotal	85	100%	$ 1,000.00(B)	$ 150.00	$ 1,150.00
Total leave hours	4(A)	N/A	N/A	$ -0-	$ -0-
Total	89	100%	$ 1,000.00(B)	$ 150.00	$ 1,150.00

(A) Should be as close to zero for the time study period as possible.
(B) Represents the total of your payroll for the month.
(C) Represents column C from timesheet.

FOOD SALARY DISTRIBUTION WORKSHEET
FOR THE MONTH OF: SEPTEMBER 20XX

A. # of units – Congregate Meals: 630
B. # of units – Home Delivered Meals: 200
C. Total units: 830
D. % of units that are for Congregate Meals 630/830 = 76%
E. % of units that are for Home Delivered Meals 200/830 = 24%

		For the Month Ending September 30, 20XX							
Employee Name	Position	Gross Payroll	Fringe Benefits	Congregate Meal Salary & Fringe Benefit Allocation % (D)	Home Delivered Meal Salary & Fringe Benefit Allocation % (E)	Congregate Meal Salary Amount	Congregate Meal Fringe Benefit Amount	Home Delivered Meal Salary Amount	Home Delivered Meal Fringe Benefit Amount
1. Bill Long	Cook	600.00`	90.00	76%	24%	456.00 (600.00* 76%)	68.40 (90.00* 76%)	144.00 (600.00* 24%)	21.60 (90.00* 24%)
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
TOTAL						456.00	68.40	144.00	21.60

Subsidiary Cost Ledger
Expense Account: Salaries and Wages
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	5,050.00	3,240.00	722.00	528.00	340.00	220.00	
August	5,050.00	3,240.00	722.00	528.00	340.00	220.00	
September	5,050.00	3,240.00	722.00	528.00	340.00	220.00	
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

Subsidiary Cost Ledger
Expense Account: Fringe Benefits
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	760.00	486.00	108.30	81.70	51.00	33.00	
August	760.00	486.00	108.30	81.70	51.00	33.00	
September	760.00	486.00	108.30	81.70	51.00	33.00	
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

Subsidiary Cost Ledger
Expense Account: Consultants
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	500				500		
August	1,250				1,000	250	
September	625				625		
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

Subsidiary Cost Ledger
Expense Account: Rent
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	1,300	400	400		400	100	
August	1,100	400	200		400	100	
September	1,500	400	600		400	100	
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

Subsidiary Cost Ledger
Expense Account: Communications
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	97	97					
August	135	135					
September	110	110					
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

Subsidiary Cost Ledger
Expense Account: Printing/Supplies
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	330	120	210				
August	260	260					
September	480	120	360				
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

HELPING SENIOR CENTER
Schedule of Raw Food Allocation Based on Units Delivered
July 1, 20__ to June 30, 20__

Month	Congregate Meals Units	% Congregate Meal	Home Delivered Meal Units	% Home Delivered Meals	Total Meal Units	Total Raw Food $	Congregate Meal Raw Food $	Home Delivered Meal Raw Food $
	1	2	3	4	5	6	7	8
07/XX	627	73%	233	27%	860	5,925.00	4,325.25	1,599.75
08/XX	587	75%	193	25%	780	6,235.00	4,676.25	1,558.75
09/XX	630	76%	200	24%	830	5,825.00	4,427.00	1,398.00
10/XX								
11/XX								
12/XX								
01/YY								
02/YY								
03/YY								
04/YY								
05/YY								
06/YY								
TOTAL								

Subsidiary Cost Ledger
Expense Account: Raw Food/Disposables
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	5,925.00		4,325.25	1,599.75			
August	6,235.00		4,676.25	1,558.75			
September	5,825.00		4,427.00	1,398.00			
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

Subsidiary Cost Ledger
Expense Account: Interest Income
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	16.00		16.00				
August	30.00		30.00				
September	23.00		23.00				
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

Subsidiary Cost Ledger
Expense Account: Participant Contributions
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	650.00		482.00	175.00	3.00		
August	700.00		450.00	245.00	5.00		
September	668.00		443.00	195.00	30.00		
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

Subsidiary Cost Ledger
Expense Account: Indirect Costs
For the period: July 1, 20XX – June 30, 20XX

Period	Total	Admin	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
July	666.67		411.08	105.59	125.00	25.00	
August	666.67		425.50	108.67	110.00	22.50	
September	666.67		406.67	140.00	100.00	20.00	
October							
November							
December							
January							
February							
March							
April							
May							
June							
Year-to-date							

NEW YORK CITY DEPARTMENT FOR THE AGING
CONTRACTOR INVOICE AND SERVICE REPORT

SPONSOR CODE:	NAME:	PROGRAM ID#: 05100	NAME:	CONTRACT: 200X12345
		MO/YR OF INVOICE: 09/xx	DAYS OPEN: 20	PHONE:

I. EXPENDITURE AND INCOME REPORT

Expenses Should Only be for the Services Listed Under Section II					
	Grant Funds & Income Cash Expenditures				
	A This Month	B Adjustment	C Yr To Date		
Personnel	$5,810		$17,430		
Consultants	750	(125)	2,375		
Vehicles					
Equipment Rental					
Travel					
Rent	1,300	200	3,900		
Utilities					
Other Occupancy					
Rent-Usage Charges					
Communications	110		342		
Printing/Supplies	480		1,070		
Raw Food	5,700	125	17,985		
Catered Food					
Program Insurance					
Other					
Total	14,150	200	$43,102		
Less contributions	(668)				
Less Interest	(23)				
Net Total	13,459				
Add (deduct) adjustment	200				
Total direct costs	13,659				
Indirect Rate 8.00%	666.67				
Reimbursement Claimed	$14,325.67	= $ 8,867.54	$2,828.12	+ 2,103.25	+ 526.76
		Congregate	Home Del	Education/ Recreation	Case Assistance

II. SERVICE DELIVERY REPORT

SERVICE	UNITS		CONTRIBUTIONS COLLECTED
Education/Recreation	1	xxxxxxxxxx	$
Information		xxxxxxxxxx	$
Congregate Lunch	6	xxxxxxxxxx	$ 429
Home Delivered Meals	2	xxxxxxxxxx	$ 195
Transportation		xxxxxxxxxx	$ 30
Shopping Assistance/Chore		xxxxxxxxxx	$
Case Assistance		xxxxxxxxxx	$
Guest/ Staff Meals		xxxxxxxxxx	$ 7
Food Handlers Meals		xxxxxxxxxx	$ 7
Total			$ 668

DFTA USE ONLY

Date Received:___/___/___ INVOICE NO._____

SCHEDULE OF MONTHLY COSTS BY SERVICE COST CENTER

FOR THE MONTH OF: _____ 20XX

	Total Costs	Admin.	Congregate Meals	Home Delivered Meals	Education/ Recreation	Case Assistance	Transportation
Personnel	$ 5,810.00	$ 3,726.00	$ 830.00	$ 610.00	$ 391.00	$ 253.00	$ -0-
Consultants	$ 625.00				$ 625.00		
Vehicles	$ -0-						
Equipment Rental	$ -0-						
Travel	$ -0-						
Rent	$ 1,500.00	$ 400.00	$ 600.00		$ 400.00	$ 100.00	
Utilities							
Other Occupancy							
Rent-Usage Charges							
Communications	$ 110.00	$ 110.00					
Printing/Supplies	$ 480.00	$ 120.00	$ 360.00				
Raw Food/Disposables	$ 5,825.00		$ 4,427.00	$ 1,398.00			
Catered Food/Disposables	$ -0-						
Program Insurance	$ -0-						
Other	$ -0-						
Total	$ 14,350.00	$ 4,356.00	$ 6,217.00	$ 2,008.00	$ 1,416.00	$ 353.00	-0-
Adjustments	-0-	$ -0-	$ -0-	$ -0-	$ -0-		
Adjusted Total	$ 14,350.00	$ 4,356.00	$ 6,217.00	$ 2,008.00	$ 1,416.00	$ 353.00	-0-
Admin. Allocation	xxxxxxxxxx	$ (4,356.00)	$ 2,709.87	$ 875.12	$ 617.25	$ 153.76	N/A
TOTAL COSTS	$ 14,350.00	$ -0-	$ 8,926.87	$ 2,883.12	$ 2,033.25	$ 506.76	-0-
Less Interest Income (1)	$ (23.00)	xxxxxxxxxx	$ (23.00)				
Less Contributions (2)	$ (668.00)	xxxxxxxxxx	$ (443.00)	$ (195.00)	$ (30.00)		
TOTAL DIRECT COSTS	$ 13,659.00	xxxxxxxxxx	$ 8,460.87	$ 2,688.12	$ 2,003.25	$ 506.76	-0-
INDIRECT RATE 8%	$ 666.67	xxxxxxxxxx	$ 406.67	$ 140.00	$ 100.00	$ 20.00	-0-
Reimbursement Claimed	$ 14,325.67	xxxxxxxxxx	$ 8,867.54	$ 2,828.12	$ 2,103.25	$ 526.76	
ADMIN ALLOCATION			62.21%	20.09%	14.17%	3.53%	
			$6,217/$9,994 = 62.21%	$2,008/$9,994 = 20.09%	$1,416/$9,994 = 14.17%	$353/$9,994 = 3.53%	

NOTES:

(1) Interest income is allocated to the largest service cost center.

(2) Contributions are allocated to all applicable service cost centers.

4.5. Allocation of Satellite Site Costs

When the DFTA program includes required financial reporting by Satellite Site the Sponsor is required to:

1. Maintain adequate books of account to record program costs and any applicable revenues by site.
2. Where costs have been allocated amongst more than one site a written allocation plan must be developed to describe in detail the methodology utilized to allocate the costs.
3. Adequate written supporting documentation must be maintained to support the costs allocated.

4.6. OMB Circulars

Copies of the following Federal OMB Circulars are included in this section:

A110 - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations

A122 - Cost Principles for Nonprofit Organizations

5. Processing of Claims to DFTA

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5.1. Introduction

5.1.1. General Procedure

DFTA Contractors are reimbursed on a cash basis. Invoices for reimbursement of expenses incurred in providing services during the previous month must be submitted on a monthly basis and are due no later than the 15th day of the following month, except for Homecare invoices that are due by the 25th day of the following month. When an invoice due date falls on holidays or weekends, the invoice is due on the next business day. The final invoice for reimbursement must be submitted no later than 30 days after the end of the budget fiscal year. If the final invoice is late, DFTA may be unable to reimburse this claim.

Refer to Chapter 3 - Accounting and Internal Controls, Cash Disbursements for control objectives and DFTA Accounting and Internal Control Requirements for Disbursements.

5.1.2. Invoice Documentation Requirements

Documentation requirements are as follows and summarized in chart form in Figure 1:

- Do not submit original documents, such as paid bills or monthly payroll certification record (except for Title V Employment Programs), with the DFTA Invoice. **These must be maintained on-site.**
- Homemaker and Housekeeper providers must include with the invoice a Monthly Service Summary for each Case Management Agency, The Homecare Services Recap, and notification of each client accepted for Medicaid Homecare.

  See Chapter 10 on Homecare within this manual.

Figure 1. Summary of Documentation Requirements

Form	Send to DFTA	Keep On-Site
Contractor Invoice	Original Invoice and 1 Copy of Invoice	Copy of Invoice
Supporting Documentation	Original Supporting Documentation for Title V Employment Programs	Original Supporting Documentation except for Title V Employment Programs
Payroll Certification Record	Original Report for Title V Employment Programs	Copy of Report if Title V Employment Program
Homecare Services Summaries with Recap	Original Service Summaries and Recap	Copy of Service Summaries and Recap
Sponsor Voucher for Approved Equipment/ Renovations	Original Voucher with Original Paid Bills, check #, copy of check or cancelled check (front and back) and copy of the DFTA Approval	Copy of Voucher with 3 Original Bids and Copies of Other Documentation
Sponsor Voucher for One-Time Payments	Original Voucher with Original Paid Bills, invoices, check #, copy of check or cancelled check (front and back)	Copy of Voucher and related Documentation

5.1.3. Submission Requirements

Use the customized pre-printed invoice form provided by DFTA. Type or write clearly in ink and only in the appropriate spaces provided. Data must be legible on both copies of the invoice and all other required forms. If information is not clear and complete, the invoice cannot be processed and will be returned.

The Certification must be signed by a management staff or board member in ink.

Only one invoice per month can be submitted. See section 5.1.5 for error corrections.

Submit the original invoice and one copy to:

NYC Department for the Aging
Office of Contract Accounting
2 Lafayette Street, 9th Floor
New York, NY 10007-1392

Invoices are due by 5:00 p.m. by the 15th day of each month, except for Homecare.

Invoices arriving after the 15th will be marked late. When invoice due date falls on holidays or weekends, the invoice is due on the next business day.

5.1.3.1 Late Contract registration

When a contract is registered late, it is anticipated that the first invoice(s) will be submitted within 30 days from the contract registration date. Thereafter, invoices must be submitted based on above submission requirements.

5.1.3.2 If a contractor chooses to computerize their invoice, they must ensure that invoice matches exactly DFTA's customized invoice.

5.1.4. The Invoice Package

The DFTA monthly invoice is customized for each program. Contractors will receive only the pages and sections needed to report their services and expenses. All sections of the DFTA invoice must be completed and submitted together.

The invoice types and sections included in the invoice are as follows:

Invoice Type	Sections Included in Invoice
Standard Invoice with/without Satellites/Contributions Included in Budget and Subtracted	I. Expenditure and Income II. Service Delivery III. Satellite site: Separate invoices must be submitted for each site
Homecare Invoice Only	I. Service Delivery Report for Homecare Services II. Cash Expenditures
Case Management Invoice	I. Service Delivery Report for Case Management Services II. Cash Expenditures
Social Adult Day Services (SADS)	I. Service Delivery Report for Social Adult Day Services II. Cash Expenditures
Legal	I. Service Delivery Report for Legal Services II. Cash Expenditures

The invoice package consists of the basic invoice (5.1.4.1.) and attachments as appropriate (sections 5.1.4.2. through 5.1.4.6.).

5.1.4.1. Contractor Invoice

This form summarizes the expenditure of city, state or federal funds, participant contribution and other income during the period covered, and the number of service units delivered. Participant contributions and other income, such as interest income earned, are also reported on the Contractor Invoice. The invoice must be signed by an authorized individual with name and title.

NOTE: If annual budget is $25,000 or less, you must submit original supporting documentation.

5.1.4.2. Payroll Certification Record

The Payroll Certification record form is only required for programs with annual budget up to $25,000. This form provides the back up documentation to support the expenditures listed on the Personnel line of Section I. Income and Expenditures of the Contractor Invoice. The total on the personnel line of Section I. of the Contractor Invoice must agree with the total number on this form. (See example page 5-32)

5.1.4.3. Homecare Monthly Service Summary and Recap

(See Chapter 10 - Homecare for preparation instructions)

5.1.4.4. (See Chapter 11 – Fee for Service Preparation Instructions)

5.1.4.5. Sponsor Voucher for Approved Equipment/ Renovations

This form provides a summary of all equipment and renovation purchases made by the contractor. Items to be attached to this form are:

- Signed Approval to Purchase Form
- Community Development Property Register form (if CDBG funded)
- Original Notice of Lien (for vehicle purchases only)

Refer to Chapter 6 Procurement and Purchasing, section 6.1.5.1 for instructions on how to complete this form.

5.1.4.6. Sponsor Voucher for Approved One-Time Payment/Expenditures

This form provides a summary of all one-time payments expenditures made by the contractor. Items to be attached to this form are:

- Original Supporting Documentation

5.1.4.7. Other Information

If the contract describes special services (other than standard), the contractor must prepare a quarterly narrative report on program accomplishments. This report is submitted to the Intergenerational Program Officer.

The Intergenerational Unit requires a quarterly report on specified indicators and a optional narrative. This report is submitted to:

Intergenerational Programs Unit
NYC Department for the Aging
2 Lafayette Street
New York, NY 10007
Attn: Unit Director

5.1.5. Error Correction Procedures

5.1.5.1. General Corrections to Contractor Invoices and Service Reports

If an error occurs on a submitted contractor invoice, the Agency may prepare and submit a revised invoice to DFTA. The revised invoice must clearly be marked **"REVISED"** and submitted as soon as possible in order to avoid delays in payments. The Agency may also correct or adjust the wrongly reported expenses on the next month's invoice in the adjustments column.

If the error is in the June invoice (the last one for the fiscal year), submit a revised invoice with **all** data (for both increases and decreases) along with a detailed memo.

The Agency should contact Contract Accounting to notify them whenever the submission of a revised invoice is necessary.

5.1.5.2. Corrections to Wrongly Reported Units of Service

If a contractor discovers an error, either over-reported or under-reported units of service or a combination of both, the correction may be made on the following month's invoice.

For example, a contractor discovers that in error 25 extra units of Case Assistance were reported in the September invoice. The contractor adjusts service data for October so that the year-to-date totals are correct. In this example, 25 units of Case Assistance would be subtracted from the October total.

However, in the case of substantial over-reporting where a downward adjustment would reduce the monthly units to a negative number, a revised invoice for the month(s) in question must be submitted. Please clearly mark the new submission "**REVISED**".

This correction(s) must be supported by a detailed memo signed by a management staff or board member. Otherwise, the invoice will be rejected.

5.1.5.3 Corrections to Wrongly Reported Expenditures and Income

If a contractor discovers an error, either over-reported or under-reported income, expenses by cost centers, or a combination of both, the correction may be made on the following month's invoice.

For example, a contractor discovers that in error $50 dollars of Congregate lunch Participant Contributions were over-reported in the September invoice. The contractor adjusts Participant Contributions for October so that the year-to-date totals are correct. In this example, $50 dollars of Congregate lunch participant contributions would be subtracted from the October total.

However, in the case of substantial over-reporting where a downward adjustment would reduce the monthly income and/or expenses by cost center to a negative number, a revised invoice for the month(s) in question must be submitted. Please clearly mark the new submission "REVISED".

This correction(s) must also be supported by a detailed memo signed by a management staff or board member. Otherwise, the invoice will be rejected.

5.1.6. Correspondence

All correspondence with DFTA must contain:

- The full name of the organization/program, and
- The five (5) digits DFTA Identification Number.

5.2. Advances

5.2.1. Obtaining an Initial Advance

In order to cover start up costs for the next fiscal year starting July 1, 20XX, the contractor must send a written request for an advance the preceding May. The percentage of the budget that may be requested is stipulated in the contract (see also 3.4.3.1). DFTA will send the contractor an "INITIAL ADVANCE" memo stating that an advance has been issued to the contractor. The memo is shown on page 5-9 with the following information:

Contract Year

Reference Number

Contract Number

DFTA ID Number

Advance Amount

INITIAL ADVANCE - CFY 200X

Sponsor's Authorized Personnel
Sponsor Name
Program Name
Sponsor Address
City, State Zipcode

REFERENCE #: XVCXXXX
CONTRACT #: 20XXXXXXXXX
DFTA ID#: 0XXXX

Dear :

This is to inform you that funds amounting to **$XX,XXX** will be electronically transferred from the New York City Department of Finance into the program designated bank account.

These funds represent the amount of the **initial advance** requested from the above City Fiscal Year (CFY) 200X contract.

If you have any questions, please call me at (212) 442-10XX.

Sincerely,

Vendor Payments Supervisor

c: CCPU, Director
File

5.2.2. Advance Amount Owed to DFTA

Each year DFTA provides programs an advance on their contracted funds. In addition, programs are reimbursed on their monthly invoices. The total of the advance and the reimbursement on the monthly invoices cannot exceed the total amount of the contracted funds. Therefore, during the fiscal year, the amount of the advance and the total of the monthly invoice reimbursements will equal the amount of the contract funds available. At that point, DFTA discontinues reimbursing invoices and begins to charge the invoice amounts against the Advance Balance.

The "ADJUSTMENT TO REIMBURSEMENT REQUEST WITH ADVANCE BALANCE" memo detailing the adjustments and amount due will be sent to the contractor. The memo as shown on page 5-11 shows the following information:

Reference Number

Contract Number

DFTA ID Number

Total Adjustment Amount

Cost Center Being Adjusted

Amount of Adjustment

Reason for Adjustment

Advance Balance due to DFTA

Advanced funds still owed to DFTA at the conclusion or termination of the contract year must be returned to DFTA within 30 days of the conclusion of the fiscal year.

ADJUSTMENT TO REIMBURSEMENT REQUEST WITH ADVANCE BALANCE

Date_____

REFERENCE #:_____
CONTRACT #:_____
DFTA ID #:_____

Dear Mr(s).

Please be advised that the following adjustment has been made on your reimbursement for the month of _____ as follows:

COST CENTER	AMOUNT REQUESTED	LESS DISALLOWANCE	ADVANCE ADJUSTMENT(+/-)	NET PAYMENT	REASONS FOR ADJUSTMENT
CML	$10,000.00	$ -	$(900.00)	$9,100.00	
HMDL	$5,000.00	$ -	$(800.00)	$4,200.00	
EDR	$5,000.00	$ -	$(800.00)	$4,200.00	
TRP	$3,000.00	$ -	$(700.00)	$2,300.00	
IAS	$2,000.00	$ -	$(700.00)	$1,300.00	
CSMG	$1,000.00	$ -	$(600.00)	$400.00	
SPS					
TOTAL	**$ 26,000.00**	**$ -**	**$ (4,500.00)**	**$ 21,500.00**	

Advance balance due to DFTA is $15,000.00

_____ Accountant

_____ Accountant

CCPU Director
File

5.3. Preparation of Contractor Invoice and Service Report

5.3.1. Invoice Header Information

Identification data appears at the top of each page of the customized invoice. The contractor must complete the Month/Year of Invoice and Days Open fields on each page.

- When a program has more than one site (satellites), an invoice must be completed for each site along with a main invoice summarizing these sites. Budget restriction applies to satellites.

Instructions for Completing The Header on Each Page of the Invoice

Data Element Number	Element Name	Instructions
1	Month/Year of Invoice	Enter in the format of MM/YY, for example, 07/XX for July 20XX.
2	Days Open	Enter the number of days the program actually operated in the reporting month. Only one figure can be entered. If there are additional sites (satellites) which differ in the number of days open, enter whichever is greater.

5.3.2. Expenditure and Income Report (Section I)

In this section, enter expenses paid for the reporting month, make necessary adjustments and report year-to-date expenditures. DO NOT include expenses for Homemaker or Housekeeper or other Fees for Service programs (see Chapter 10). These expenses will be reported on a separate invoice.

Report expenditures of grant funds and income (participant contributions) in this section.

NOTE: Any budget errors or omissions should be referred to your Program Officer and Budget Analyst for correction. Do not white out erroneous expense categories or write in expense categories that do not appear on your invoice. They will be rejected.

Instructions for Completing Expenditure and Income Report Section of the Invoice

Data Element Number	Element Name	Instructions
3	Column A This Month	Enter paid-out expenditures for the month in each budget category applicable. DO NOT include accrued or anticipated expenses. Budget Categories may be: Personnel Consultants Vehicles Equipment Rental Travel Rent Rent – Usage charges Utilities Other Occupancy Communications Printing/Supplies Raw Food/Disposables Catered Food/Disposables Program Insurance Other Total Column A.

Instructions for Completing Expenditure and Income Report Section of the Invoice

Data Element Number	Element Name	Instructions
4	Column B Adjustment	Use only to make adjustments or corrections in any previous month(s) reporting. This column is not used for the first month of the fiscal year. Enter adjustment figure(s) on each budget line as needed. The adjustment total can be either a positive or a negative number depending on whether figures are being added or subtracted. Attach a memo briefly explaining why each adjustment was made. Total Column B.
5	Column C Year to Date	Enter Year-to-date total expenses in each budget category, from G/L. Total Column C.
6	Less: Participant Contributions	Enter the total of contributions collected for the month (as reported in Section II, Service Delivery Report).
7	Less Interest	Enter the amount of any interest.
8	Net Total	Subtract contributions and interest from TOTAL and enter the result as NET TOTAL.
9	Add (Deduct) Adjustment	Enter adjustment figure from the total of Column B. See section 5.8.4. for details about adjustments.

Instructions for Completing Expenditure and Income Report Section of the Invoice (continued)

Data Element Number	Element Name	Instructions
10	Total Direct Costs	Enter Total Direct Costs (net of contributions and interest income)
11	Indirect Rate (Costs)	Compute the indirect cost amount by multiplying the approved rate printed on your invoice by the direct costs for the total column and each cost center.
12	Reimbursement Claimed	Add indirect costs to the total direct costs and enter as reimbursement claimed. Allocate this amount to cost centers based on bookkeeping records to the individual service cost centers. This allocation must be based on actual experience, time studies, actual usage and supported by subsidiary cost ledgers. **Do not** use budget ratios. Reimbursement claims must equal amount allocated to Cost Centers. **Note: Negative amounts cannot be reported in a cost center. See Section 5.1.5.3**

5.3.3. Service Delivery Report (Section II)

This section will appear only for contractors with standard contracted services. The number of monthly units reported for any service is based on records kept at the program site (e.g., transportation or education/recreation logs, case assistance or case management logs, meal attendance records).

Accurate reporting of services data is essential. Variances from planned units are monitored and followed up by DFTA. To avoid errors in reporting:

- Review invoices before submission to make sure that numbers are not transposed, or that units for one service have not been incorrectly entered for another (e.g., meal units entered for education/recreation).
- Use correct service unit definitions.
- Do not report service units funded by non-DFTA sources.
- Units must be entered in whole numbers. Do not use decimals or fractions. See Data element number 13 for instructions.

Instructions for Completing Service Delivery Report Section of the Invoice

Data Element Number	Element Name	Instructions
13	Units Delivered	Enter units of service delivered during the month. The invoice has been "customized" so that the only services shown are those in your contract. Report units only for those services in your DFTA contract. Do not add or delete services on the invoice. (Homemaker and Housekeeper and other Fee for Service contracts will be reported elsewhere in another invoice). Units must be entered in whole numbers. DO NOT use decimals or fractions. When fractional units are involved, accumulate them until you have enough to report a whole number. For example, a program provides: 60 1/4 units of Case Assistance in July, 50 units in August, and 58 3/4 units in September. It should claim 60 units on its July invoice, 50 units on the August invoice, and 59 units on the September invoice (58 3/4 + 1/4 from July). To avoid errors, please enter "0" if no units are reported for a particular service. Meals served to volunteers under 60 are to be included in the reported units delivered for Guest/Staff Meals and Food Handlers For those centers which have additional satellite sites, a separate invoice must be prepared for each site. Report meals for each site on a separate invoice and also include a combined total on the summary invoice. The summarized total of each satellite invoice must agree to the total combined invoice.
14	Contributions Collected	All programs with standard services must report any contributions collected for a service in the space provided.

NEW YORK CITY DEPARTMENT FOR THE AGING
CONTRACTOR INVOICE AND SERVICE REPORT

SPONSOR NAME:_____ PROGRAM NAME: _____ CONTRACT#: _____
MO/YR OF INVOICE: __(1)__/____ DAYS OPEN: (2) PHONE: _____

I. EXPENDITURE AND INCOME REPORT

Expenses Should Only be for the Services Listed Under Section II

	Grant Funds & Income Cash Expenditures		
	A (3) This Month	B (4) Adjustment	C (5) Yr To Date
Personnel			
Consultants			
Vehicles			
Equipment Rental			
Travel			
Rent			
Rent-Usage charges			
Utilities			
Other Occupancy			
Communications			
Printing/Supplies			
Raw Food/Disposables			
Catered Food/Disposables			
Program Insurance			
Other			
Total			
Less Contributions	(6)		
Less Interest	(7)		
Net Total	(8)		
Add (deduct) adjustment	(9)		
Net Direct costs	(10)		
Indirect Rate 0.00%	(11)		
Reimbursement Claimed	(12)		

II. SERVICE DELIVERY REPORT

SERVICE	UNITS	CONTRIBUTIONS	COLLECTED
Nutrition Education	(13)	$xxxxxxxxxx	$ (14)
Counseling		$xxxxxxxxxx	$
Education/Recreation		$xxxxxxxxxx	$
Nutrition Education		$xxxxxxxxxx	$
Information		$xxxxxxxxxx	$
Congregate Lunch		$xxxxxxxxxx	$ 428
Home Delivered Meals		$xxxxxxxxxx	$
Transportation		$xxxxxxxxxx	$
Shopping Assistance/Chore		$xxxxxxxxxx	$
Congregate Weekend		$xxxxxxxxxx	$
Case Assistance		$xxxxxxxxxx	$
Guest / Staff Lunch		$xxxxxxxxxx	$
Food Handlers Lunch		$xxxxxxxxxx	$
Total		$xxxxxxxxxx	$

Congregate	Home Del	Info Assistance	Education/ Recreation	Transportation
+	+	+	+	

DFTA USE ONLY
Date Received: ____/____/____ INVOICE NO._____

NEW YORK CITY DEPARTMENT FOR THE AGING
CONTRACTOR INVOICE AND SERVICE REPORT

SPONSOR NAME:_____ PROGRAM NAME: _____ CONTRACT#: _____
MO/YR OF INVOICE: __(1)__/____ DAYS OPEN: (2) PHONE:_____

INSTRUCTIONS

COMPLETE THIS INVOICE AND SUBMIT NO LATER THAN THE 15TH DAY OF EACH MONTH.

SUBMIT A SEPARATE VOUCHER, USING FORM 55, FOR REIMBURSEMENT OF EQUIPMENT/RENOVATIONS AND ONE-TIME PAYMENTS.

MAIL ORIGINAL AND ONE COPY TO:

FISCAL: CONTRACT ACCOUNTING
N.Y.C. DEPARTMENT FOR THE AGING
2 LAFAYETTE STREET, 9TH FLOOR
NEW YORK, NEW YORK 10007

CERTIFICATION

I HEREBY CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF, THE INFORMATION CONTAINED HEREIN IS CORRECT, THAT IT CORRESPONDS WITH THE BOOKS AND RECORDS OF THIS AGENCY, AND THAT THE EXPENDITURES REPORTED WERE PAID AND MADE SOLELY FOR PURPOSES SPECIFIED IN THE CONTRACT FOR THIS PROGRAM. I ALSO CERTIFY THAT THE MATCH AS STATED IN THE CONTRACT HAS BEEN PROVIDED. I ALSO CERTIFY THAT CURRENT FISCAL YEAR FUNDS WERE NOT USED TO PAY FOR PRIOR YEAR EXPENDITURES. I ALSO CERTIFY THAT CURRENT FISCAL YEAR FUNDS WERE NOT USED TO PAY FOR PRIOR YEAR EXPENSES.

_____(23)_____ ___(24)___
AUTHORIZED SIGNATURE FOR CONTRACT AGENCY DATE

_____(25)_____
PRINT NAME/TITLE

5.3.4. Invoice Certification

This section will appear on all invoices and must be signed in ink by an authorized representative of the Contract Agency.

Instructions for Completing Invoice Certification

Data Element Number	Element Name	Instructions
16	Signature	The invoice must be signed by an authorized representative of the contract agency.
17	Date	Enter the date the invoice was prepared.
18	Name/Title	Print the name and title of the authorized representative of the Contract Agency.

5.4. Preparation of Contractor Invoice and Service Report for City Meals

5.4.1. Invoice Header Information

Identification data appears at the top of each page of the customized invoice. The contractor must complete the Month/Year of Invoice and Days Open fields on each page.

- When a program has more than one site (satellites), an invoice must be completed for each site along with a main invoice summarizing these sites. Budget restriction applies to satellites.

Instructions for Completing The Header on Each Page of the Invoice

Data Element Number	Element Name	Instructions
1	Month/Year of Invoice	Enter in the format of MM/YY, for example, 07/XX for July 20XX.
2	Days Open	Enter the number of days the program actually operated in the reporting month. Only one figure can be entered. If there are additional sites (satellites) which differ in the number of days open, enter whichever is greater.

5.4.2. Expenditure and Income Report for City Meals (Section I)

In this section, enter expenses paid for the reporting month, make necessary adjustments and report year-to-date expenditures.

Contributions collected for City Meals are assigned to Home-Delivered Meals and reported on the regular DFTA invoice.

NOTE: Do not white out erroneous expense categories or write in expense categories that do not appear on your invoice. They will be rejected.

Instructions for Completing Expenditure and Income Report Section of the Invoice for City Meals

Data Element Number	Element Name	Instructions
3	Column A This Month	Enter paid-out expenditures for the month in each budget category applicable. DO NOT include accrued or anticipated expenses. Budget Categories may be: Personnel Consultants Vehicles Equipment Rental Travel Rent Rent – Usage charges Utilities Other Occupancy Communications Printing/Supplies Raw Food/Disposables Catered Food/Disposables Program Insurance Other Total Column A.

Instructions for Completing Expenditure and Income Report Section of the Invoice for City Meals

Data Element Number	Element Name	Instructions
4	Column B Adjustment	Use only to make adjustments or corrections in any previous month(s) reporting. This column is not used for the first month of the fiscal year. Enter adjustment figure(s) on each budget line as needed. The adjustment total can be either a positive or a negative number depending on whether figures are being added or subtracted. Attach a memo briefly explaining why each adjustment was made. Total Column B.
5	Column C Year to Date	Enter Year-to-date total expenses in each budget category, from G/L. Total Column C.
7	Less Interest	Enter the amount of any interest.
8	Net Total	Subtract contributions and interest from TOTAL and enter the result as NET TOTAL.
9	Add (Deduct) Adjustment	Enter adjustment figure from the total of Column B.

Instructions for Completing Expenditure and Income Report Section of the Invoice for City Meals (continued)

Data Element Number	Element Name	Instructions
10	Total Direct Costs	Enter Total Direct Costs (net of contributions and interest income)
11	Indirect Rate (Costs)	Compute the indirect cost amount by multiplying the approved rate printed on your invoice by the direct costs for the total column and each cost center.
12	Reimbursement Claimed	Add indirect costs to the total direct costs and enter as reimbursement claimed. Allocate this amount to cost centers based on bookkeeping records to the individual service cost centers. This allocation must be based on actual experience, time studies, actual usage and supported by subsidiary cost ledgers. **Do not** use budget ratios. Reimbursement claims must equal amount allocated to Cost Centers. **Note: Negative amounts cannot be reported in a cost center. See Section 5.1.5.3**

5.4.3. Service Delivery Report (Section II)

The number of monthly units reported for any service is based on records kept at the program site (e.g., meal attendance records).

Accurate reporting of services data is essential. Variances from planned units are monitored and followed up by DFTA. To avoid errors in reporting:

- Review invoices before submission to make sure that numbers are not transposed, or that units for one service have not been incorrectly entered for another (e.g., 6th and 7th meal units entered for weekday).
- Use correct service unit definitions.
- Do not report service units funded by non-DFTA sources.
- Units must be entered in whole numbers. Do not use decimals or fractions. See Data element number 13 for instructions.

5.4.4 Service Delivery Report for City Meals (Section II)

Instructions for Completing Service Delivery Report Section of the Invoice for City Meals (continued)

Data Element Number	Element Name	Instructions
13	Units Delivered	Enter units of service delivered during the month. The invoice has been "customized" so that the only services shown are those in your contract. Report units only for those services in your DFTA city meals contract. For those centers which have additional satellite sites, a separate invoice must be prepared for each site. Report meals for each site on a separate invoice and also include a combined total on the summary invoice. The summarized total of each satellite invoice must agree to the total combined invoice.

NEW YORK CITY DEPARTMENT FOR THE AGING
CONTRACTOR INVOICE AND SERVICE REPORT

SPONSOR NAME:_____ PROGRAM NAME: _____ CONTRACT#: _____
MO/YR OF INVOICE: __(1)__/____ DAYS OPEN: (2) PHONE: _____

I. EXPENDITURE AND INCOME REPORT

Expenses Should Only be for the Services Listed Under Section II			
	Grant Funds & Income Cash Expenditures		
	A (3) This Month	B (4) Adjustment	C (5) Yr To Date
Personnel			
Consultants			
Vehicles			
Equipment Rental			
Travel			
Rent			
Rent-Usage charges			
Utilities			
Other Occupancy			
Communications			
Printing/Supplies			
Raw Food/Disposables			
Catered Food/Disposables			
Program Insurance			
Other			
Total			
Less Contributions			
Less Interest	(7)		
Net Total	(8)		
Add (deduct) adjustment	(9)		
Net Direct costs	(10)		
Indirect Rate 0.00%	(11)		
Reimbursement Claimed	(12)	+	+
		City	Holiday Weekday

II. SERVICE DELIVERY REPORT

SERVICE	CONTRIBUTIONS UNITS		COLLECTED
Home Del. Holidays Meals	(13)	$xxxxxxxxxx	$ (14)
Weekday Citymeals		$xxxxxxxxxx	$
Sixth Citymeals		$xxxxxxxxxx	$
Seventh Citymeals		$xxxxxxxxxx	$
Total		$xxxxxxxxxx	$

DFTA USE ONLY
Date Received: ____/____/____ INVOICE NO._____

NEW YORK CITY DEPARTMENT FOR THE AGING
CONTRACTOR INVOICE AND SERVICE REPORT

SPONSOR NAME:_____ PROGRAM NAME: _____ CONTRACT#: _____
MO/YR OF INVOICE: __(1)__/____ DAYS OPEN: (2) PHONE:_____

INSTRUCTIONS

COMPLETE THIS INVOICE AND SUBMIT NO LATER THAN THE 15TH DAY OF EACH MONTH.

MAIL ORIGINAL AND ONE COPY TO:

CITYMEALS-ON-WHEELS
ATTN: PROGRAM OFFICER
355 LEXINGTON AVENUE
NEW YORK, NY 10017-6603

CERTIFICATION

I HEREBY CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE AND BELIEF, THE INFORMATION CONTAINED HEREIN IS CORRECT, THAT IT CORRESPONDS WITH THE BOOKS AND RECORDS OF THIS AGENCY, AND THAT THE EXPENDITURES REPORTED WERE PAID AND MADE SOLELY FOR PURPOSES SPECIFIED IN THE CONTRACT FOR THIS PROGRAM. I ALSO CERTIFY THAT THE MATCH AS STATED IN THE CONTRACT HAS BEEN PROVIDED.

_____(23)_____ ___(24)___
AUTHORIZED SIGNATURE FOR CONTRACT AGENCY DATE

_____(25)_____
PRINT NAME/TITLE

5.4.5 Invoice Certification

This section will appear on all invoices and must be signed in ink by an authorized representative of the Contract Agency.

Instructions for Completing Invoice Certification

Data Element Number	Element Name	Instructions
16	Signature	The invoice must be signed by an authorized representative of the contract agency.
17	Date	Enter the date the invoice was prepared.
18	Name/Title	Print the name and title of the authorized representative of the Contract Agency.

5.5. Preparation of Payroll Certification Record

This form is only required if annual budget is under $25,000. The form provides the back up documentation to support the expenditures listed on the Personnel line of Section I. Income and Expenditures of the Contractor Invoice. The total on the personnel line of Section I. of the Contractor Invoice must agree with the total number on this form.

Instructions for Completing the Payroll Certification Record

Data Element Number	Element Name	Instructions
1	Contract Number	Indicate the contract number.
2	Period	Enter the period from/to dates. These dates must coincide with the dates on the Contractor Invoice.
3	Page Number	Enter the page number and the total number of pages in this submission.
4	Name of Agency	Enter the name of the agency.
5	Phone	Enter the phone number of the agency.
6	Address	Enter the address of the agency.
7	State	Enter the state address of the agency.
8	Zip Code	Enter the zip code of the agency.
9	Position	Indicate the job title of the position for which expenditures are being reported.
10	Name of Incumbent	Indicate the name of the person in the job title listed.
11	Total Annual Salary	Enter the total annual salary, exclusive of fringe benefits, approved for the position.
12	Pay Period	Indicate the time period covered by the payroll check for each position.
13	Check Number	Indicate the number of each check paid to each individual.
14	Amount	Enter the gross amount for the check listed.

Instructions for Completing the Payroll Certification Record (continued)

Data Element Number	Element Name	Instructions
15	Salary Chargeable to DFTA	Enter only the portion of the check amount that is to be charged to DFTA. If position is split funded, the whole amount is not chargeable to DFTA.
16	Total Chargeable Salary	Total the amount of the salary that is chargeable to DFTA (excluding Fringe Benefits). (Total of Column 16)
17	Total Fringe Benefits Chargeable	Enter the total amount of fringe benefits charged to the program for the period reported. Fringe benefits can be charged on either a composite rate (as shown in the budget) or the actual amount expended. If the composite rate is used, fringe benefit charges must be reconciled to actual expenditures at the end of the program year.
18	Total Chargeable to DFTA	Enter the total salary chargeable to DFTA and the total fringe benefits chargeable to DFTA.
19	Signature	Report must be signed by the director or CFO/COO or authorized representative of the Agency reporting the expenditures.
20	Name/Title	Print the name and title of the person who is preparing the form.
21	Date	Enter the date the form was prepared.

NEW YORK CITY DEPARTMENT FOR THE AGING

PAYROLL CERTIFICATION RECORD

For Period From: (2) To: CONTRACT #: (1)

Name of Agency: (4) Page #: (3) of

Address (6) Phone: (5)

State: (7) Zip (8)

Position (9)	Name of Incumbent (10)	Total Annual Salary (11)	Pay Period (12)	Check umber (13)	Amount (14)	Salary Chargeable to DFTA (15)

5.6. Sponsor Voucher for Approved Equipment/ Renovations

Refer to Chapter 6 - Procurement and Purchasing, section 6.1.5.1. Sponsor Voucher for Approved Equipment/Renovations for directions on how to complete the form and any required supporting documentation.

5.7. Sponsor Voucher for Approved One-Time Payments

Refer to Chapter 6 – Procurement and Purchasing, Section 6.1.6.1 Sponsor Voucher for Approved One-Time Payments for directions on how to complete the form and any required supporting documentation.

5.8. DFTA Review and Payment of Invoices

5.8.1. General Information

Before submitting an invoice to DFTA, the bookkeeper or fiscal staff must make a copy of the invoice and memo if any and indicate on the copy:

Date Sent to DFTA

DFTA Invoice ID # (as written on the Invoice Receipt memo)

Or, the bookkeeper/fiscal staff can keep a separate log to track the following information:

Invoice Date

Prepared by

Date Sent to DFTA

DFTA Invoice ID # (as written on the Invoice Receipt memo)

An invoice should be sent to DFTA by the fifteenth of each month, even if there is nothing to report (enter zeroes (0) in the fields). If an invoice is not submitted, DFTA will send the contractor a memo stating which invoice(s) are missing. A sample of the "MISSING INVOICE" memo is shown on the page 5-34.

When the actual amount to be reimbursed has been determined a check request is submitted to NYC Financial Information Services Agency (FISA).

MISSING INVOICE

Via Fax and Mail:

Sponsor's Authorized Personnel
Sponsor Name
Program Name
Sponsor Address
City, State Zip Code

RE: Missing Invoice(s)
DFTA ID #: **0XXXX** Contract #: **20XXXXXXXX**

Dear :

Based on our records, a contract has been registered on **December 10, 20XX** for the above-mentioned program. To date, we have not received your invoices for the months of **July 20XX through February 20XX**.

It is essential that your agency submit its monthly invoices each and every month, by the **fifteenth** of the following month. Even if there was no activity, a zero invoice should be submitted so there is full accountability.

These invoices must be submitted **immediately.** An even flow of work (invoices) allows for better planning, more efficient payments, and improved cash flow. If centers wait and send in three or more invoices at one time, it causes bottlenecks and needless processing delays. In order to avoid this, in the future please send in your invoices by the due date. **This non-compliance may adversely affect your Annual Vendex Evaluation.**

If you have any questions, please call me at (212) 442-10XX. Thank you for your cooperation.

Sincerely,

Vendor Payments Supervisor

c: CCPU Director
Budget Director
Contract File
Vendex File

5.8.2. Invoice Receipt

When an invoice is received by DFTA's Contract Accounting Unit, it is logged in the control ledger, stamped with the date received, and assigned an Invoice ID. An "INVOICE RECEIPT" memo as shown on page 5-36 is prepared and given to the contractor's representative when delivered or upon request. The invoice is routed to the assigned accountant for audit.

5.8.3. Invoices that can not be Processed

The DFTA accountant reviews the invoice and other required forms for accuracy and documentation. If there is a problem with processing the invoice, such as insufficient documentation to substantiate a charge, the contractor is notified immediately with a "REJECTED INVOICE" memo as shown on page 5-37. The contractor is allowed five (5) days from receipt of the memo in which to remedy the problem (for example to produce the necessary documentation). If this cannot be accomplished within five (5) days, the invoice will be sent back to the contractor.

Possible errors that would result in an invoice that cannot be processed include but are not limited to the following:

- Insufficient documentation
- Missing/erroneous required cost allocation data
- Missing/incorrect units
- Unsigned invoice or signed by unauthorized personnel (e.g., bookkeeper)
- Altered invoice
- Copy of an invoice instead of an original
- Invoice prepared in pencil
- Mathematical error
- Required field(s) was not filled out
- Missing information
- Use of incorrect invoice
- Illegible information
- Missing original signature

THE CITY OF NEW
DEPARTMENT FOR THE AGING
Office of Contract Accounting – 9th Floor
SERVICES
INVOICE RECEIPT

DFTA ID #: 0XXX Contract#: 20XXXXXXXXX Date: 08/10/XX

Sponsor Name: NY Senior Citizens Center, Inc.

Program Name: My Senior Center

Your **July 20XX** invoice amounting to **$XX,XXX** for the above contract number, which was due by **08/15/XX**, has been received on **08/10/XX** and assigned number: **XVCXXXX**.

Received Via: ☐ Mail ☐ Hand-Delivered Time:

Timeliness: ☐ On Time ☐ Late

Invoice received by: **DFTA**

REMINDER:

- *Invoices are due by 5:00 p.m. on the **fifteenth** (15th) day of each month. When the fifteenth falls on weekends and holidays, invoices received on the next business day by 5:00 p.m. will not be considered late. Invoices arriving after 5:00 p.m. are posted on the next business day.*
- *Incomplete, inaccurate and unacceptable invoices although submitted by their due date will not be accepted.*
- *Invoices arriving after the **fifteenth** (15th) will be marked late and affect your Vendex Evaluation adversely.*

If you have any questions, please call (212) 442-1022 or (212) 442-1032.

Keep for your records

Visit us at: www.nyc.gov/aging

REJECTED INVOICE

Date

Sponsor's Authorized Personnel
Sponsor Name
Program Name
Sponsor Address
City, State Zip Code

RE: DFTA ID#: 0XXXX July 20XX invoice

Dear:

This is to inform you that we are unable to process your *Month(s)* invoice(s) for payment because:

☑ *Reason 1*

☑ Other:

Please re-submit your invoice along with the required supporting documentation to:

Mr(s) _____, Accountant

If you have any questions, please call your Program Officer.

Sincerely,

Vendor Payments Supervisor

cc: CCPU Director
File

5.8.4. Adjustments to Invoices

DFTA may adjust an invoice during the review process for several reasons, such as the following:

- Application of all or part of reimbursement request against current advance balance (see 5.2.2)
- Mathematical errors
- Changes in Unit rates for Performance based programs
- Disallowances for exceeding restricted line-item budget category, Cost Centers or the bottom line of the budget.

When the invoice is adjusted, DFTA will send the contractor an "ADJUSTMENT TO/DISALLOWANCE OF REIMBURSEMENT REQUEST" memo which states the amount of the adjustment and the reason(s) for the changes. A sample of the memo is shown on page 5-40 and it lists:

Reference Number

Contract Number

DFTA ID Number

Month of Invoice being Adjusted

Line item Budget Category being adjusted

Service Cost Center Being Adjusted

Amount of Adjustment

Reason for Adjustment

ADJUSTMENT TO/
DISALLOWANCE OF
REIMBURSEMENT REQUEST

Date

REFERENCE #:_____
CONTRACT #:_____
DFTA ID #:_____

Dear Mr(s).

Please be advised that the following adjustment has been made on your reimbursement for the month of as follows:

COST CENTER	AMOUNT REQUESTED	LESS DISALLOWANCE	ADVANCE ADJUSTMENT(+/-)	NET PAYMENT	REASONS FOR ADJUSTMENT
CML	$ 10,000.00	$ (750.00)	$ -	$ 9,250.00	Personnel budgeted amount has been exceeded by $1,750.
HMDL	$ 8,000.00	$ (500.00)	$ -	$ 7,500.00	Personnel budgeted amount has been exceeded by $1,750.
EDR	$ 5,000.00	$ (300.00)	$ -	$ 4,700.00	Personnel budgeted amount has been exceeded by $1,750.
IAS	$ 3,000.00	$ (200.00)	$ -	$ 2,800.00	Personnel budgeted amount has been exceeded by $1,750.
TOTAL	**$ 26,000.00**	**$ (1,750.00)**	**$ -**	**$ 24,250.00**	

In order to avoid future disallowances, you must contact your Budget Analyst and submit a Budget modification.

Accountant

Accountant

Budget Director
Budget Supervisor
CCPU Director
File

5.8.5. Disallowances

If any deductions have been made an "ADJUSTMENT TO/DISALLOWANCE OF REIMBURSEMENT REQUEST" memo is sent explaining the deductions. The memo is sent to the contract agency together with any invoices that are not being reimbursed and a copy of the memo is sent to the program officer, Budget Director, CCPU Director.

Disallowances should be resolved through discussion with your program officer or accountant to determine whether any corrective action can be taken.

If corrective action enables a disallowed item to be approved, the contractor must contact the Fiscal Dept. to determine whether to resubmit the claim for reimbursement on a subsequent invoice, send in a corrected invoice or take some other action. The resubmitted claim must be accompanied by a copy of the original disallowance memo and by any other documents that will render the reasons for the disallowance as no longer valid.

NOTE: All adjustment letters/memos must be maintained in a special file which will serve as a reference to track follow-up on disallowances and adjustments.

ADJUSTMENT TO/
DISALLOWANCE OF
REIMBURSEMENT REQUEST

Date:_____

REFERENCE #:_____
CONTRACT #:_____
DFTA ID #:_____

Dear Mr(s).

Please be advised that the following adjustment has been made on your reimbursement for the month of _____ as follows:

COST CENTER	AMOUNT REQUESTED	LESS DISALLOWANCE	ADVANCE ADJUSTMENT (+/-)	NET PAYMENT	REASONS FOR ADJUSTMENT
CML	$ 10,000.00	$ (2,000.00)	$ -	$ 8,000.00	This cost center has been exceeded by $2,000.00.
HMDL	$ 5,000.00	$ -	$ -	$ 5,000.00	
EDR	$ 5,000.00	$ (800.00)	$ -	$ 4,200.00	This cost center has been exceeded by $800.00.
TRP	$ 3,000.00	$ -	$ -	$ 3,000.00	
IAS	$ 2,000.00	$ -	$ -	$ 2,000.00	
CSMG	$ 1,000.00	$ -	$ -	$ 1,000.00	
SPS					
TOTAL	**$ 26,000.00**	**$ (2,800.00)**	**$ -**	**$ 23,200.00**	

In order to avoid future disallowances, you must contact your Budget Analyst and submit a Budget modification.

_____Accountant_____ _____Accountant_____

Budget Director
Budget Supervisor
CCPU Director
File

6. Procurement and Purchasing

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6.1. General Procurement and Purchasing Procedures

All program personnel involved in the procurement and purchasing of goods, equipment, renovations and services should understand the importance of an effective system of internal control. Internal controls are discussed in detail in **Chapter 3, Accounting and Internal Controls**.

6.1.1 Purchases of Equipment and Renovations

6.1.1.1 Purchase Standards for Equipment and Renovations

A purchase of equipment or a renovation comes under the category of "Equipment/Renovations" if the item (or set of like items) has a useful life of one year or more and costs $1,000 or more. This category includes kitchen equipment, vehicles, computers, equipment repairs, site renovations, as well as other purchases.

When purchases are for <u>less</u> than $1,000 for a single or set of like items, the purchases are not categorized as "Equipment/Renovations" and DFTA approval is not required.

Items considered "Equipment/Renovations" <u>require the written approval</u> of DFTA before a purchase is made, regardless of the source of funding. Discussion between the Sponsor and the Program Officer regarding the need, appropriateness and cost of the desired item should precede approval.

6.1.1.2 Purchases That Require Bids

If the equipment or renovations cost $5,000 or more, letters soliciting bids must be sent to a minimum of five (5) vendors. Copies of the five solicitation letters must be maintained on file at the program site. The program must receive a minimum of three (3) <u>written</u> bids and submit the required documentation to DFTA (described in detail in section 6.1.2) before the purchase can be made. The Agency is required to use the lowest bid obtained, unless a written waiver is obtained from DFTA. Items purchased with Community Development Block Grant (CDBG) funds require a minimum of five (5) <u>written</u> bids. The approval process is described in detail in section 6.1.2). Absence of

at least three bids dated before the agreement is signed will result in a questioned cost in the audit report.

Faxed bids from vendors are permitted.

City, State and Federal government encourage the use of minority and/or women owned businesses as a source of equipment and improvements.

6.1.1.3. Standards for Equipment Installation /Renovations

If the Contractor intends to seek reimbursement from DFTA for installation of major equipment or for renovation work that is to be done on property that is not directly leased or owned by the City of New York, DFTA must first have on file documentation providing at a minimum that, for the useful life of the improvement(s):

- The sponsor has the right to make the renovations or improvements to the property or to install the equipment

- City of New York has the right to install a new sponsor at its discretion and this new sponsor will have the right to assume the lease for the property;

- After completion of the renovations ,DFTA or a party designated by DFTA will be able to use the property for at least five years or for the useful life of the renovations (as determined by DFTA), whichever is longer;

- The landlord, the landlord's lenders, if any, and all other parties with an interest in the property have agreed in writing to the foregoing.

NOTE - A current and signed copy of the lease containing all of the foregoing may suffice. Otherwise, separate written notice is required.

- If reimbursement is to be made with funds from the City's Capital Budget, the City must have legal rights to the property that will not be subordinate to the rights of any other party <u>before DFTA can receive approval to make the funds available</u> to the Contractor. DFTA will provide more detailed information on these requirements if Capital funds are allocated for your site.

6.1.1.4. Bonding Requirements for Renovations

If renovations are anticipated to cost over $250,000, <u>*before*</u> granting approval to proceed with the work, DFTA must have copies of several documents. The Sponsor is expected to enter an agreement with an independent party or parties for the renovation work. The party contracted directly with the Sponsor for the renovation work is called the Prime Contractor. The Sponsor must provide DFTA with copies of :

1. A ***<u>Payment Bond</u>*** from the Prime Contractor(s) for 100% of the purchase price

2. A ***<u>Performance Bond</u>*** from the Prime Contractor(s) for 100% of the purchase price

3. The Contractor, immediately upon receipt of the bonds, must execute an irrevocable assignment in accordance with the form of assignment that will be provided by DFTA's Facilities Management Unit.

    - The bonds must name the Sponsor as obligee thereunder.

    - The Sponsor must obtain two (2) originals of such bonds before any work is performed on the project and must submit one copy to DFTA immediately after receipt.

    - The Sponsor shall submit the executed assignment to the City at the time it submits the original bonds.

    - Premiums for required bonds must be included in the Prime Contractor's bid price.

6.1.1.5. Insurance Requirements for Design Consultants

For all renovation projects costing over $250,000, contracts for design consultant services shall require that the design consultant carry the following types and amounts of insurance, unless an exemption is expressly authorized in advance in writing by DFTA:

- Comprehensive general liability insurance in the minimum amount of $1,000,000 per occurrence (combined single limit), with the City of New York named as an additional insured thereunder

- Professional Liability insurance in an amount not less than $1,000,000, with the City of New York named as an additional insured. All required policies shall be maintained with companies licensed to do business in the State of New York

- Worker's compensation insurance, as required by New York State Law.

6.1.1.6. Insurance Requirements for Renovations

Contracts for construction services shall require that the prime contractor carry the following types and amounts of insurance, unless a written exemption is provided in advance from DFTA:

- Comprehensive general liability insurance in the minimum amount of $1,000,000 per occurrence (combined single limit), with the City of New York named as an additional insured thereunder;

- Worker's compensation insurance, as required by NYS Law;

- Employer's liability insurance, in the minimum amount of $1,000,000 per occurrence. All required policies shall be maintained with companies licensed to do business in the State of New York.

- Proof of all insurance shall be provided to DFTA.

6.1.1.7. Additional Requirements for Renovations

- Contracts for construction services shall set forth that should any conflicts occur in or between the Drawings and Specifications associated with a particular subcontract, the subcontractor shall be deemed to have estimated the most expensive way of doing the work.

- All contractors, subcontractors, architects, engineers and designers engaged for construction or renovation work over $25,000, who are expected to be reimbursed with DFTA funds, shall submit a completed VENDEX questionnaire. DFTA reserves the right to reject any consultant or contractor who has been evaluated as a poor performer by DFTA or any other government entity, has Advices of Cautions against it listed in the City-wide VENDEX system, or for any other reason which might cause DFTA to reject a bidder or subcontractor if DFTA were contracting directly with the bidder or subcontractor. DFTA's right to reject a consultant or subcontractor and require a replacement or substitute shall continue until construction is complete and shall exist regardless of the work the consultant or subcontractor is performing.

6.1.2. Required Submissions to DFTA to Request Approval to Purchase

For equipment and renovations costing $1,000 or more for a single item or a set of like items, the program must submit the following documents to their program officer for review and approval before purchase:

- **Specification Checklist** (see section 6.1.2.1. for blank form with instructions).
- **Request To Purchase Affidavit** (see section 6.1.2.2. for blank form with instructions).

The **Specifications Check List** is a guide to ensure that characteristics required of the purchase are met by the bidder. It can be provided to the bidder, or used as the basis for more formal specifications.

The **Request To Purchase Affidavit** consists of three sections: Five Bids Solicited, Group Purchasing Agency, and Waiver of the Requirement for Three Written Bids. Only one of these sections will be applicable to any single purchase. Each section lists statements that the contractor must affirm and documents that must be submitted. The following summarizes the additional documentation required for each section:

Five Bids Solicited

- For CDBG funded items, copies of the five bids.
- For non-CDBG items, a copy of the lowest bid.

Group Purchasing Agency

- A copy of the Group Purchasing Agency recommendation.

Waiver of the Requirement for Three Written Bids Requested

- A letter of explanation for emergency purchase, **or**
- A copy of the sole source bid with explanation, **or**
- A copy of the lowest bid received with explanation (when 3 written bids are not available).

Originals of all documents must be kept at the program for audit purposes.

SPECIFICATIONS CHECKLIST

Program Name _____ ID # _____

This Checklist should be used as a guide. All categories should be reviewed. If the category is not important or not applicable, it does not require completion.

Nature of item requested - e.g., refrigerator	
Brand Name (e.g., General Electric)	
Type, Make or Model	
Size of item	
Composition (e.g., wool or nylon; aluminum or steel)	
Capacity	
Special requirements for delivery (e.g., door-to-door or set in place)	
Special installation	
Vendor removal of old equipment	
Special Wiring	
Service Agreement terms	
Warranty or Guarantee	
Other Special Features	

6.1.2.1. Specification Checklist

Specifications provide a vendor with a clear, complete, and accurate description of the requirements for the equipment and renovations so that the vendor can determine an accurate bid. All vendor/suppliers must be given the same specifications for bid to ensure that all bids received are comparable.

The Specifications Check List is a guide to developing specifications. A copy must be submitted to DFTA so that the lowest bid can be reviewed against program requirements.

Instructions for Completing Specifications Checklist

Data Element Number	Element Name	Instructions
1	Name of Item Requested	Enter the name of the item requested for purchase (i.e. refrigerator).
2	Brand	Enter the brand name of the item requested for purchase (i.e. General Electric).
3	Type, Make, or Model	Enter the type, make, or model for the item requested (i.e. Space Saver).
4	Size	Specify the size of the item requested.
5	Composition	Specify if material of which the item is made is important (e.g., aluminum or steel, nylon or wool).
6	Capacity	Specify the capacity of the item requested (i.e. 21 cubic feet).
7	Special Features	Specify any special features that the item requested may have, if any.
8	Delivery Requirements	Specify whether delivery should be door-to-door or set-in-place.
9	Installation Requirements	Specify any special installment requirements that the item requested may have, if any.
10	Removal of Old Equipment	Enter **yes** or **no** if removal of old equipment will be required of vendor. If not, program will be assumed to have arrangements for removal
11	Wiring	Enter **yes** or **no** if special wiring will be required. (May require inspection by an electrician)
12	Service Agreement	Enter **yes** or **no** if the item requested requires a service agreement.
13	Warranty	Enter **yes** or **no** if the item requested requires a warranty
14	Approximate Cost	Enter the approximate cost of the item requested.

Data Element Number	Element Name	Instructions
15	Additional Requirements	Enter **yes** or **no** if any inspections or permits are required. For example, installation of a stove and exhaust may require Fire Department inspections.

6.1.2.2. Request To Purchase Affidavit

A Request To Purchase Affidavit affirms that bids have been obtained from vendors as required, or a Group Purchasing Agency has been used, or the contractor is requesting a waiver of the three bids requirements.

Instructions for Completing Request To Purchase Affidavit

Header Information

Enter the sponsor name, program name, program identification number, site location of the program, and the program telephone number in the space provided.

Five Bids Solicited

When the program has obtained a minimum of three bids, this section must be completed for equipment or renovations that cost $5,000 or more for a single item, or a set of like items.

For each item that is being requested for purchase, the program must list the item and the amount of the lowest bid received.

In addition, this section provides a checklist to affirm that the following requirements were followed:

Data Element Number	Affirmations	Procedure
1	Five bids were independently solicited for each item. Each vendor was contacted by an appropriate representative of the program, and each vendor provided only its own bid.	Check box if statement is true.
2	The five bids for each item were solicited within 60 days of each other.	Check box if statement is true.
3	The five bids for each item are comparable.	Check box if statement is true.
4	Each bid is on official vendor stationery or business form.	Check box if statement is true.

Data Element Number	Affirmations	Procedure
5	Each bid includes vendor name, address, and telephone number.	Check box if statement is true.
6	Each bid includes name and signature of vendor representative, and date of signature.	Check box if statement is true.
7	Each bid identifies the Program by name and address.	Check box if statement is true.
8	The originals of bids for each item will be maintained at the program site for audit.	Check box if statement is true.

See **Required Submissions to DFTA** in section 6.1.2. for a listing of documents that should be submitted to DFTA with this section of the Request to Purchase Affidavit.

Group Purchasing Agency

When a program utilizes a central purchasing service (i.e. Institutional Commodities Services Corporation, Joint Purchasing Corporation, Federation of Protestant Welfare Agencies), this section should be completed in lieu of the Three Bids Solicited section.

For each item that is being requested for purchase, the program must list the item and the bid amount recommended by the Group Purchasing Agency.

See **Required Submissions to DFTA** in section 6.1.2. for a listing of documents that should be submitted to DFTA with this section of the Request to Purchase Affidavit.

Waiver of the Requirement for Three Written Bids Requested

This section must be completed when three written bids can not be obtained for one of the following reasons:

- Emergency Replacement or Repair. Examples that illustrate this criteria include:
  - A critical item of equipment, such as a refrigerator or freezer that has broken and needs major repair or replacement.
  - Failure to act immediately will result in extensive food spoilage.
  - An electrical heating or plumbing problem requires immediate attention, otherwise the facility will be damaged or unusable.

REQUEST TO PURCHASE AFFIDAVIT

Sponsor: _____

Program Name: _____ ID#_____

Site Location: _____ TEL#_____

Five Bids Solicited

☐ I affirm that bids were requested from vendors for the following items, and the amount indicated is the lowest bid received.

Item	Amount of Lowest Bid
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

☐ I affirm that the following statements apply to the above items:

- Three (5) bids were independently solicited for each item. Each vendor was contacted by an appropriate representative of this program, and each vendor provided only its own bid.
- The five bids for each item were solicited within 60 days of each other.
- The five bids for each item are comparable, i.e., each bid matches the program's specifications, including, where applicable, cost of: delivery, setting in place, warranty, equipment removal, service agreement, etc.
- Each bid is on official vendor stationery or business form (bids on stamped letterhead may be questioned by auditor).
- Each bid shows vendor name, address, telephone number.
- Each bid includes name/signature of vendor representative, and date signed.
- Each bid identifies the Program by name and address.
- The originals of bids for each item will be maintained at the program site for audit.

☐ The Specifications Check List is attached for each item.

☐ For CDBG funded items only: copies of the five bids obtained are attached.

☐ A copy of the lowest bid obtained for each non-CDBG item is attached. In the case of an attached bid which is not the lowest bid received, a waiver is requested and an explanation is attached.

Group Purchasing Agency

☐ I affirm that the recommendation of a Group Purchasing Agency was solicited for the following items:

Item	Bid Amount
_____	_____
_____	_____
_____	_____

☐ The Specifications Check List is attached for each item(s):

☐ The Group Purchasing Agency recommendation is attached for each item.

Waiver of the Requirement for Five Written Bids Requested

☐ I affirm that a waiver of the requirement for five (5) written bids is requested for the following items(s):

Item	Bid Amount or Cost
_____	_____
_____	_____
_____	_____

☐ I affirm that five written bids could not be obtained for the following reason (check one):

- Emergency replacement or repair.
- Sole source vendor.
- Written bids unavailable. (Prior approval by DFTA has been obtained).

☐ Specifications Check List is attached for each item.

☐ Letter of explanation is attached for emergency purchase.

☐ Copy of sole source bid is attached, with explanation.

☐ Copy of lowest bid received (5 written bids not available) is attached, with explanation.

I understand that any purchase may be disallowed if DFTA or the auditor determines that requirements have not been met.

_____
Name, Authorized Program Representative

_____ _____
Signature Date

- The delivery of home delivered meals or the transportation of clients is critically affected by the breakdown of a vehicle. Immediate repair is essential (A purchase of a replacement vehicle is not considered an emergency).

In emergency cases, telephone bids should be sought and will be acceptable instead of written bids. A record must be kept of the vendor's name, address, and telephone number, name of person who furnished the bid, date called, description of the specific item for which the bid was given, and price quoted. At least three potential vendors should be contacted.

- Sole Source Vendor Sole source vendor/suppliers should be avoided whenever possible. However, in cases where additions to existing equipment are supplied by only one vendor, or where the vendor is the only supplier, full documentation of the situation must be submitted to DFTA with a request for a waiver.

- Written Bids Unavailable (and prior verbal approval from DFTA has been obtained) When the program has solicited bids but has received less than three bids, follow-up telephone calls to the non-responsive vendors must be made and documented showing date of call, vendor/supplier name and address, person contacted, and response.

  If telephone calls and further requests for bids are not successful, the program must receive prior written approval from DFTA to submit a request for a waiver of the three bids requirement. Documentation of efforts to obtain the three written bids must be maintained on site and explained in a letter accompanying the Request To Purchase Affidavit.

6.1.3. DFTA Review and Approval of Bids

DFTA will review the Specification Checklist, Request to Purchase Affidavit, and additional required submissions only if all the documentation is complete and accurate. If the purchase is approved by DFTA, DFTA will send the program two signed **Approval To Purchase Equipment/ Renovations** forms (see page 6-15) and the **Sponsor Voucher for Approved Equipment/Renovations** form (see blank form with instructions in section 6.1.5.1.).

6.1.4. Purchase and Delivery

Only after the registered contract or the required amendment (if needed) to fund the purchase is received by the contractor along with the **Approval To Purchase Equipment/ Renovations** and the customized **Sponsor Voucher for Approved Equipment/Renovations** can the program proceed with the purchase. Purchase must be from the approved bidder for the approved item and amounts. Vouchers for purchases other than the approved item may be disallowed.

A **Purchase Order** must be completed by the program, and a copy of the purchase order must be maintained at the program site (see blank purchase order form with instructions in section 6.1.4.1.).

The item must be purchased and the voucher for reimbursement submitted (see section 6.1.5) within 60 days from the date of DFTA's approval to purchase, or amendment registration, or by the end of the DFTA fiscal year, whichever is earlier. Otherwise, the funds may be removed from the contract.

Equipment and renovations funded by State grants must be purchased and delivered by March 30. All other items must be purchased and delivered by June 30, the last day of the fiscal year. DFTA will notify the programs when items are State funded. Failure to comply with these purchasing regulations may result in a disallowance of the expenditure.

A proof of delivery is a signed, dated delivery receipt or bill from the vendor that indicates the delivery date. All programs must maintain in their files the proof of delivery which must be available for DFTA's review upon request.

NEW YORK CITY DEPARTMENT FOR THE AGING
APPROVAL TO PURCHASE EQUIPMENT/RENOVATIONS

Sponsor Name: _____

Program Name: _____ ID# _____

Approval to purchase is designated as follows:

A. BIDS REQUIRED. The bid submitted for the item has been reviewed and approved. Purchase of the item must be through the vendor whose bid was submitted (lowest bidder or bidder approved by DFTA for this purchase).

B. GROUP PURCHASING AGREEMENT. The item must be purchased through the Group Purchasing Organization whose form was submitted, or through a vendor recommended by the Group Purchasing Organization.

C. THREE BID REQUIREMENT WAIVED. The item is an emergency purchase, or a purchase for which it was not possible to obtain three written bids.

D. NO BIDS REQUIRED.

E. CDBG. Five bids submitted have been reviewed. Purchase must be through lowest bidder.

EQUIPMENT/RENOVATIONS ITEM AND APPROVED BIDDER(S)

APPROVAL CATEGORY	ITEM	$ AMOUNT	APPROVED BIDDER	EIN #

*** FUNDS ARE NOT AVAILABLE UNTIL REFLECTED IN REGISTERED CONTRACT***

Purchase Authorized by: _____ Date: _____
Unit Director

THERE ARE NO CAUTIONS, WARRANTS OR LIENS OUTSTANDING AGAINST THIS ENTITY.

Signature: _____ Date: _____
Agency Chief Contracting Officer

For DFTA use only
c: Contract Accounting
CCPU
CDBG
Program (2 copies)

PURCHASE ORDER FORM

(Prepare in Duplicate)

Purchase of individual items costing more than $10,000 authorized by:

_____
Agency Chief Contracting Officer

Tax Exempt

Funded by the
City of New York

PROGRAM'S NAME AND ADDRESS

Date:_____

Purchase Order No.:_____

VENDOR'S NAME AND ADDRESS

Attn:

DESCRIPTION OF ITEM	QUANTITY REQUESTED	CODE # IF ANY	UNIT PRICE	TOTAL

IF DELIVERY CANNOT BE MADE WITHIN 3 WEEKS, PLEASE CONTACT THIS OFFICE AT: _____

_____ SIGNATURE OF PERSON ORDERING

_____ SIGNATURE OF BOOKKEEPER

_____ SIGNATURE OF THE DIRECTOR

6.1.4.1. Purchase Order

Instructions for Completing Purchase Order

Data Element Number	Element Name	Instructions
1	Program's Name and Address	Enter program's name and address.
2	Date	Enter the date of preparation of purchase order.
3	Purchase Order No.	Enter the purchase order number.
4	Vendor's Name and Address	Enter vendor's name and address.
5	Description of Item	Enter description of item(s) requested for purchase.
6	Quantity Requested	Enter the quantity of each item requested for purchase.
7	Code #	Enter the code number for the item(s) requested for purchase, if any.
8	Unit Price	Enter the unit price for the item(s) requested for purchase.
9	Total	Enter the total price for the item(s) requested for purchase (quantity requested x unit price).
10	Telephone Number	Enter the program's telephone number so the vendor can call the program if delivery cannot be made within three weeks from date of purchase order.
11	Signatures	The person ordering the item(s), the bookkeeper, and the director must sign the purchase order.

6.1.5. Reimbursement for Payment

To obtain reimbursement from DFTA, the program must submit the following documentation to DFTA within 60 days from the date of DFTA's approval to purchase, or amendment registration, or the end of the DFTA fiscal year, whichever is earlier:

- **Approval To Purchase** (one copy should be maintained by the program).
- **Sponsor Voucher For Approved Equipment/Renovations** with an original paid bill or invoice along with check number(s) or copy of check (s) or copy of canceled check(s) (front and back). See section 6.1.5.1. for blank form with instructions.
- **OMB-Community Development Property Register Form** (should be completed only when the item is Community Development Block Grant (CDBG) funded). See section 6.1.5.2. for blank form with instructions.

6.1.5.1. Sponsor Voucher for Approved Equipment/Renovations

This form, which is customized for each program must be completed by the program before reimbursement can be made by DFTA.

Instructions for Completing Sponsor Voucher for Approved Equipment/Renovations

Data Element Number	Element Name	Instructions
1	Items and Cost	Enter each item cost in dollars and cents. If income is received from the sale of the original equipment or from insurance received for stolen or damaged items, the amount of income received should be accounted for as a contribution (see **Chapter 3, Accounting and Internal Controls**). If the original equipment was traded in, the cost of the new equipment must be reduced by the trade-in allowance.
2	Signature	The form must be signed and dated by the Director or authorized program representative.

The original paid invoice or bill should be attached to the completed **Sponsor Voucher for Approved Equipment/ Renovations** and should be submitted to DFTA along with check number(s), or copy of check(s) or copy of canceled check(s) (front and back), one copy of the **Approval To Purchase** and the **OMB-Community Development Property Register Form** (if applicable) to:

Director, Contract Accounting
NYC Department for the Aging
2 Lafayette Street, 9th Floor
New York, NY 10007-1392

NEW YORK CITY DEPARTMENT FOR THE AGING

SPONSOR VOUCHER FOR APPROVED
EQUIPMENT AND RENOVATIONS

INSTRUCTIONS:

THIS VOUCHER MUST BE COMPLETED BY THE SPONSOR AND SUBMITTED WITH ORIGINAL PAID RECEIPTS TO:
CONTRACT ACCOUNTING, DEPARTMENT FOR THE AGING, 2 LAFAYETTE STREET 9TH FLOOR, NEW YORK, NY 10007
IF CDBG FUNDED, OMB COMMUNITYDEVELOPMENT REGISTER MUST BE INCLUDED. REIMBURSEMENT FOR THIS ITEM(S) MUST BE CLAIMED WITHIN 60 DAYS OF REGISTRATIONOF THESE FUNDS OR BY JULY 31ST WHICHEVER IS EARLIER.

SPONSOR ID: _____

SPONSOR NAME:_____ **PROGRAM NAME**:_____

ADDRESS:_____

TELEPHONE:_____ **CONTRACT#:**_____ **PROGRAM DFTA ID#:**_____

DFTA USE ONLY

DATE RECEIVED:_____ **VOUCHER NO** _____ **MONTH / YEAR** _____

FUNDING CODE (DFTA USE ONLY)	EQUIPMENT / RENOVATIONS DESCRIPTION	TOTAL AMOUNT
_____		_____
_____		_____
	TOTAL REIMBURSEMENT CLAIMED	_____

CERTIFICATION:

I CERTIFY THAT THE ABOVE EXPENDITURE(S) HAS/HAVE BEEN MADE; THAT THE CLAIM IS JUST AND CORRECT; THAT NO PART THEREOF HAS BEEN PAID, EXCEPT AS STATED; THE BALANCE IS ACTUALLY DUE AND OWING, AND THAT TAXES FROM WHICH THE PAYEE IS EXEMPT ARE EXCLUDED.

_____

AUTHORIZED SIGNATURE FOR CONTRACT AGENCY

_____ _____

PRINT NAME AND TITLE DATE

6.1.5.2. OMB-Community Development Block Grant Property Register Form

This form must be completed by the program and submitted to DFTA before reimbursement can be made. **It should be completed only when the item is CDBG funded.**

Instructions for Completing OMB-Community Development Block Grant Property Register Form

Data Element Number	Element Name	Instructions
1	Agency, Program, Fiscal Year	Enter the agency name, program name, and fiscal year.
2	Item Description	Enter the item description for the CDBG funded item.
3	Purchase Date	Enter the date the item was purchased.
4	Model Number	Enter the model number of the item.
5	Serial Number	Enter the serial number of the item.
6	Purchase Order #	Enter the purchase order number for the item.
7	If Mixed Funds, % of Fed.	Enter the percentage of funding that was Federal funded. (DFTA will inform program)
8	Cost	Enter both the unit cost and total cost of the item.
9	Location of Item	Enter the location of the item.
10	Disposition	If the item is subsequently disposed of, enter the date, amount received, and how disposal occurred (e.g. sold, stolen, trade-in).
11	Completed By, Telephone, Date	The person who completed this form should sign name, telephone number, and date of completion.

The **OMB-Community Development Property Register Form** should be submitted along with the **Approval To Purchase** and the **Sponsor Voucher for Approved Equipment/Renovations** with the paid invoice check number, copy of check or canceled check (back and front) attached to:

Director, Contract Accounting
N.Y.C. Department for the Aging
2 Lafayette Street, 9th Floor
New York, NY 10007-1392

OMB – COMMUNITY DEVELOPMENT PROPERTY REGISTER FORM FOR CDBG PURCHASE

Agency:_____

Program:_____

Fiscal Year:_____

Item Description	Purchase Date	Model Number	Serial Number	Purchase Order#	Funding Source	If Mixed Funds % of Fed.	Unit	Total	Location of Item	Condition	Disposition		
											Date	Amount	Disposed
					CDBG					New			

Completed by:_____

Telephone:_____

Date:_____

6.1.6. Reimbursement for Payment – One-Time-Payments

To obtain reimbursement from DFTA, the program must submit the following documentation to DFTA within 60 days from the date of DFTA's approval to purchase, or amendment registration, or the end of the DFTA fiscal year, whichever is earlier:

- **Sponsor Voucher For Approved One-Time-Payments** with an original paid bill or invoice along with check number(s) or copy of check (s) or copy of canceled check(s) (front and back). See section 6.1.6.1. for blank form with instructions.

6.1.6.1. Sponsor Voucher for Approved One-Time-Payments

This form, which is customized for each program must be completed by the program before reimbursement can be made by DFTA.

Instructions for Completing Sponsor Voucher for Approved One-Time-Payments

Data Element Number	Element Name	Instructions
1	Items and Cost	Enter each item cost in dollars and cents. .
2	Signature	The form must be signed and dated by the Director or authorized program representative.

The original paid invoice, bill or related documentation should be attached to the completed **Sponsor Voucher for One-Time-Payments** and should be submitted to DFTA along with check number(s), or copy of check(s) or copy of canceled check(s) (front and back) to:

Director, Contract Accounting
NYC Department for the Aging
2 Lafayette Street, 9th Floor
New York, NY 10007-1392

NEW YORK CITY DEPARTMENT FOR THE AGING

SPONSOR VOUCHER FOR APPROVED
ONE TIME PAYMENTS

INSTRUCTIONS:

THIS VOUCHER MUST BE COMPLETED BY THE SPONSOR AND SUBMITTED WITH ORIGINAL PAID RECEIPTS OR RELATED DOCUMENTATION TO: CONTRACT ACCOUNTING, DEPARTMENT FOR THE AGING, 2 LAFAYETTE STREET, 9TH FLOOR, NEW YORK, NY 10007
REIMBURSEMENT FOR THIS ITEM(S) MUST BE CLAIMED WITHIN 60 DAYS OF REGISTRATION OF THESE FUNDS OR BY JULY 31ST WHICHEVER IS EARLIER.

SPONSOR ID#: _____

SPONSOR NAME:_____ **PROGRAM NAME**:_____

ADDRESS:_____

TELEPHONE#:_____ **CONTRACT#:**_____ **PROGRAM DFTA ID#:**_____

DFTA USE ONLY

DATE RECEIVE:_____ VOUCHER NO _____ MONTH / YEAR _____

FUNDING CODE (DFTA USE ONLY)	BUDGET CATEGORY	ONE-TIME PAYMENTS DESCRIPTION	TOTAL AMOUNT
			_____
			_____
		TOTAL REIMBURSEMENT CLAIMED	_____

CERTIFICATION:

I CERTIFY THAT THE ABOVE EXPENDITURE(S) HAS/HAVE BEEN MADE; THAT THE CLAIM IS JUST AND CORRECT; THAT NO PART THEREOF HAS BEEN PAID EXCEPT AS STATED; THAT THE BALANCE IS ACTUALLY DUE AND OWING AND THAT TAXES FROM WHICH THE PAYEE IS EXEMPT ARE EXLCUDED.

_____

AUTHORIZED SIGNATURE FOR CONTRACT AGENCY

_____ _____

PRINT NAME AND TITLE DATE

6.2. Independent Contractors

6.2.1. What is an Independent Contractor?

An independent contractor is one who provides professional or technical expertise to solve clearly defined problems and makes his/her services generally available to the public. An independent contractor is an individual (or firm) providing services without direct supervision and control of performance, including the means and methods used. In DFTA contract budgets, personnel may be categorized as "consultants" only if they are independent contractors (e.g., meal deliverers are not independent contractors).

Independent Contractors fall into two categories:

1. Individuals who are clearly in business for themselves such as self-employed physicians, lawyers, photographers, artists, construction contractors, electricians, and others in an independent trade, business or profession.
2. A company or firm providing service to the public or to a broad clientele. This includes organizations supplying temporary office services.

Other Requirements:

- All consultant expenses must be based on signed agreements regardless of amount(s)
- 1099 forms must be issued to all consultants.
- Consultants must submit their own invoices including letterhead for payments. Program letterhead must not be used for consultant invoices.
- Consultants must meet the IRS criteria of a consultant and remain budgeted in the consultant line item category.

6.2.2. Employee vs. Independent Contractor - Tax Consequences

The determination of whether an individual who performs services for another is performing the services in the capacity of an employee, as opposed to in the capacity of an independent contractor, carries with it significant federal tax consequences.

6.2.2.1. Employees - Tax Responsibilities and Required Tax Forms

The tax responsibilities imposed on the employer for individuals classified as employees consist of the following:

- Reporting the employee's wages to the IRS
- Withholding income and social security taxes from such wages
- Payment of social security taxes and federal unemployment taxes, which are imposed directly upon the employer.

The following are the required Federal tax forms with due dates that must be filed by the employer for its employees:

Tax Form	Due Dates	Purpose
Form 941	April 30	For first quarter of the year
Form 941	July 31	For second quarter of year
Form 941	October 31	For third quarter of year
Form 941	January 31	For last quarter of year
W-2	January 31	Furnished to employees
W-2 and W-3	February 28	Filed with Social Security Administration.

See Chapter 7 for Federal and state tax forms with published instructions.

6.2.2.2. Independent Contractors - Tax Responsibilities and Required Tax Forms

If the individual performs services in the capacity of an **independent contractor,** he/she will not have any income or social security taxes withheld from the payments that he/she receives from his/her services. The employer is required to file the following tax form when payments to independent contractors exceed $600:

Tax Form	Due Dates	Purpose
1099-MISC	January 31	Furnished to independent contractor
1099-MISC	February 28	Filed with the IRS

See Chapter 7 for tax forms with published instructions.

6.2.2.3. Senior Corps Stipends

Senior citizens receiving stipends for other than carfare should be treated as **employees**, not as independent contractors. In addition to the tax responsibilities imposed on the employer for its employees as described above, the program must also remember the following:

- Employees may not be subject to Income Tax Withholding depending on the number of allowances claimed on Form W-4 (Employee's Withholding Allowance Certificate) and amount paid on each pay period.
- Senior Citizens Stipends are limited to $12 per week per person. Except for Social Security and Medicare taxes, no income tax withholding is required for these amounts.
- Stipends issued to reimburse senior citizens for carfare expenses are not taxable.

6.2.3. Determination of Employee or Independent Contractor Status

The mechanism used by the IRS to determine a worker's employment status for tax purposes is based on common law which takes account a number of factors, one of which is the right to control the way in which the work is performed. However, the list of factors is extensive, and no one factor is determinative. At this time, the guidance the Internal Revenue Service (IRS) uses to properly classify workers is a list of 20 factors that question the extent of control in the relationship. An individual is most likely an employee if more than a few of these factors apply to him/her:

- Someone tells the individual when, where and how to work.
- The business trains the individual to perform services in a particular manner.
- The individual's services are part of the business operations because they are important to the success of the business.
- The individual's services are rendered personally.
- The business hires, supervises and pays workers.
- The individual has a continuing relationship with the business.
- The business sets the individual's work hours.
- The individual is required to work or be available full-time.
- The individual works on the premises of the business, or on a route or at a location designated by the business.
- The individual performs services in the order or sequence set by the business.
- The individual submits reports to the business.
- The individual is paid by the hour, week or month.
- The business pays the individual's travel and business expenses.

- The business provides the individual's tools, materials and other equipment.
- The individual has no significant investment in the business.
- The individual doesn't make a profit or suffer a loss from the business.
- The individual normally works for one business at a time.
- The individual doesn't offer his/her services to the general public.
- The business has the right to fire the individual.
- The individual has the right to quit without incurring liability.

Although a single factor from among the 20 can be determinative, generally it's a combination of the presence or absence of several factors that determine whether a worker is an employee or is an independent contractor (presence indicates employee status).

After reviewing the above factors, if it is still unclear as to whether an individual is an employee or an independent contractor, the program must classify the individual as an employee.

If you are not sure whether an individual is an employee or independent contractor, obtain **Publication 937, "Employment Taxes and Information Returns,"** and **Form SS-8, "Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding."** Both are available **FREE** at the IRS website: www.irs.gov or by calling **1-800-829-3676.**

6.2.4. Penalties

If a program classifies an employee as an independent contractor and has no reasonable basis for doing so, and does not withhold all the required taxes from the employee's wages, the person at the program site who is responsible for the collection and payment of withholding taxes may be held **personally** liable for a penalty of 100 percent of such taxes.

6.3. Leasing of Space

There are two types of leases for DFTA programs - a Direct Lease or an Indirect Lease

6.3.1. Direct Leases

Direct leases are leases that are negotiated between the City of New York and the landlord under which the City of New York pays rent directly to the landlord. Programs involved in a direct lease should **not** negotiate or discuss any terms of the lease with the landlord directly. Any problems or concerns that the program may have should be addressed to the DFTA program officer.

6.3.2. Indirect Leases - Procedure for Leasing Space

Indirect leases are those negotiated between the program and the landlord under which the City of New York does NOT pay rent directly to the landlord. The following procedures must be followed for renewing indirect leases or for leasing new space:

- All leases, whether renewals or new leases, are the responsibility of the program. DFTA may provide assistance and advice if requested, which may include information regarding the availability of funds, examples of other leases, and suggested provisions, but the program is solely responsible for negotiating, signing, and complying with the lease terms. DFTA is NOT authorized to enter any long-term property agreements for the City of New York.

  Contractors are responsible for ensuring that the term of their leases will allow them to remain at their sites for the duration of their senior service contracts with DFTA. Termination of the lease or loss of the site during the term of the senior services contract may result in the termination of the contract with DFTA.

  Approximately one year prior to the expiration of the lease, the program must notify its DFTA program officer as to whether the program intends to renew its lease or intends to move to a new location, and must submit to the Program officer a

completed **Indirect Lease Agreement** form (see section 6.3.2.1. for blank form with instructions) along with the unsigned lease agreement.

- If a move is contemplated, early notification is particularly important since the new site must be approved for handicapped accessibility. New nutrition sites must be approved by a DFTA Nutritionist and by SOFA.
- All documentation will be reviewed by DFTA Counsel.
- The Program Officer will verify that all information is accurate, (i.e., duration of the lease, rental dollars), including availability of money. Site visits will be made as necessary.
- Once DFTA's review is complete, a letter of approval will be sent to the sponsor noting DFTA's suggestions or concerns, if any.
- Copies of the signed lease and DFTA's , letter must be kept on file at the program site.

Reminders for Negotiating Leases

- All negotiations, whether conducted with or without the assistance of DFTA, are in no way binding on DFTA or the City of New York. Both the program and the landlord must understand that they are not entering into an agreement with the City.
- Programs are urged to obtain their own independent legal counsel when negotiating and before signing any lease. DFTA cannot provide legal advice to the program.
- Renovation funds provided by the City of New York are not to be used to make any rental payments.
- If renovation costs were included in the prior rental, negotiations must begin with base rental, since renovation costs have been paid.
- Any increase for shared space must be prorated based on the space used by the senior program relative to other programs using the space

Contractor must inform DFTA of the rental costs expected for each year of the duration of their senior services contract so that DFTA may adequately forecast any anticipated budget increases or modifications. However, contractors should not assume that DFTA will cover any increases in rental costs during the term of the senior services contract.

- Because increases in leasing costs will affect the rest of the budget, programs should consult with DFTA before renegotiation for renewal of leases or moves to new sites.. Programs should not assume that DFTA will reimburse them for 100% of all rents and rent increases.

The following points should be considered when negotiating for a new lease renewal or new space:

1. Base Rent Versus Renovation Costs

   If renovation costs were included in reimbursement for prior rental, DFTA will not include these costs when calculating any increases over base rental.

   Example:

Present base rental is	$2,400
Renovation	$1,500
Total Rent	$3,900

   Negotiations must start with the $2,400 since renovation costs have been paid.

2. Taxes and Utilities

   Pay attention to the costs of taxes and utilities, particularly electrical and heating costs and ensure that these costs will be covered for the duration of the senior services contract. Make every attempt to have the landlord take responsibility for real estate taxes, water and sewer charges and all assessments as well as heating, oil, gas and electricity.

3. Maintenance

   The lease must specify that the site will maintain the space in a clean, safe and sanitary manner. Ensure that the landlord provides sufficient heat, hot and cold water, maintenance and repairs of the building and the heating system. If the site is not maintained in a clean, safe and sanitary manner, the DFTA reserves the right to terminate the senior services contract and install a new program sponsor.

6.3.2.1. Indirect Lease Agreement Form

The purpose of the Indirect Lease Agreement Form is to provide DFTA with relevant information regarding the existing lease and the current lease request, including any outstanding issues or problems that may exist. It should be noted that the responsibility of negotiating the terms of the lease belongs solely to the contractor.

Instructions for Completing the Indirect Lease Agreement Form

Data Element Number	Element Name	Instructions
1	Program	Enter in the spaces provided the program's name, address, telephone number, and total square footage of the expiring lease.
2	Landlord	Enter in the spaces provided the landlord's name, address, and telephone number.
3	Shared Space	Shared space is when the same space is shared with another program. If applicable, enter the name of the other program and its hours of operation.
4	Total Space Cost	Enter the total rental dollars for the existing lease.
5	Cost per Square Foot	Enter the cost per square foot for the existing lease.
6	Length of Lease	Enter the lease term (i.e. 3 years) and the expiration date of the existing lease.
7	Taxes & Utilities	Enter **yes** or **no** if the costs for heat, oil, gas, electricity, and real estate taxes are paid by the landlord as part of the lease agreement. .
8	Maintenance	Enter **yes** or **no** if the lease requires the landlord to maintain the space in a safe and sanitary manner.

Instructions for Completing the Indirect Lease Agreement Form (continued)

Data Element Number	Element Name	Instructions
9	Section 504 Compliance	All locations must provide accessibility for all the handicapped. Enter **yes** or **no** if the location complies with Section 504.
10	Certificate of Occupancy (CO)	Enter **yes** or **no** if the building has a Certificate of Occupancy which is issued by the Department of Buildings and certifies that the building conforms with the NYC Building Codes and may be occupied for the purpose and to the extent stated in the certificate. A CO is required for every site and must be posted on the premises.
11	Place of Assembly	Enter **yes** or **no** if the building currently has a Place of Assembly permit, issued by the Department of Buildings. This is required for each site where 75 or more persons assemble at one time. The Place of Assembly must indicate the maximum number of people legally permitted to gather in a room and must be conspicuously posted in that room. This permit must be renewed annually. Applications for obtaining or renewing the permit should be filed at your Borough office of the Department of Buildings.
12 -19	New Lease Issues	Complete these items for the **new lease** (refer to instructions for data element numbers 4 - 11).
20	Comments	Describe any outstanding issues, problems, or necessary improvements with the existing lease or current lease request.
21	Sign-Off	The program officer, contract manager, and Director of Bureau of Community Services will sign and date in the space provided.

DFTA I.D._____

Date:_____

INDIRECT LEASE AGREEMENT FORM

The Lease Agreement, as proposed, has been reviewed by DFTA.

Please sign in the appropriate space below, verifying the information stated.

PROGRAM	LANDLORD
NAME:_____	_____
ADDRESS:_____	_____
_____	_____
TEL.# _____	_____
TOTAL SQUARE FOOTAGE:_____	SHARED SPACE:_____
	_____

	EXISTING LEASE	NEW LEASE REQUEST
Total Space cost	_____	_____
Cost per Square Foot	_____	_____
Length of Lease	_____	_____
Taxes & Utilities	_____	_____
Maintenance	_____	_____
Section 504 Compliance	_____	_____
Certificate of Occupancy	_____	_____
Place of Assembly	_____	_____

COMMENTS
(outstanding issues, problems, necessary improvements, etc.)

EXISTING LEASE:_____

_____

_____

NEW LEASE REQUEST:_____

_____

_____

SIGN-OFF

PROGRAM OFFICER	_____ Signature	_____ Date
CONTRACT MANAGER	_____ Signature	_____ Date
ASSISTANT COMMISSIONER OF BUREAU OF COMMUNITY SERVICES	_____ Signature	_____ Date

RETURN ALL DOCUMENTS TO ASSISTANT COMMISSIONER.

6.4. Related Party Rental Agreements

Related party rental agreements include agreements between a related party entity to the contracting agency and the contracting agency itself. These rental agreements are in affect the contracting agency paying rent expense to itself. When these agreements exist the contracting agency is entitled only to a use charge in lieu of actual rent expense. Actual rent expense per any lease agreement that may exist is not an allowable expenditure since the amount of the rent is not negotiated between the agency and an unrelated party. In the case of related party rental agreements the amount of rent charged can be arbitrary and may not reflect the actual market value of rent expense.

There are two methods when calculating a use charge for related party rental agreements.

The two methods are:

1. Depreciation Allowance and
2. Use Allowance.

The agency, however, for DFTA contracts may only choose the use allowance. The computation of Use Allowances shall be based on the acquisition cost of the assets involved. The acquisition cost of an asset donated to the provider agency by a third party shall be its fair market at the time of the donation. The value of land is excluded from the computation.

When calculating rent expense under the Use Allowance method, it is calculated on all costs of occupancy such as interest expense, utilities, repairs and janitorial that are applicable to the usage area. The total monthly use allowance is claimed on each monthly invoice to DFTA.

The final calculation of total DFTA costs under the Use Allowance method is allocated to respective DFTA programs based on square footage.

6.5. Standards For Other Expenses Requiring Bids

In addition to purchases of equipment or renovations, there are other program expenses for which a contractor is required to solicit written bids. Below are brief descriptions of the procedures to be followed for these items. **Failure to comply with the stated procedures may result in disallowances of these expenditures.**

6.5.1. Procedure for Equipment Rental/Lease

A minimum of five (5) written bids must be secured when the rental or lease of single equipment item or set of like items costs $5,000 or more. The bid procedures for "Equipment/Renovations" purchases, may be followed for renting or leasing equipment. However, please note the following exceptions:

- A program's inventory list is not updated to include a rented or leased equipment item.
- All forms used (i.e., Request to Purchase Affidavit, Specifications Checklist, etc.) must clearly indicate the item is a rental or lease.
- Equipment rental/lease expenses are reported in the program's Contractor Invoice and Service Report, in the line item category of "Equipment Rental". **Do not report these expenses using the Sponsor Voucher for Approved Equipment/Renovations.**

6.5.2. Procedure for Consultant/ Subcontracted Services

A minimum of five written bids must be secured when an agreement with a single consultant or subcontractor is for $5,000 or more, a minimum of five solicitations must be made and documented. Written bids must be obtained prior to signing an agreement and services commencing. The bids and the agreement must be maintained in the program's file for audit. Absence of at least three bids dated before the agreement is signed will result in a questioned cost in the audit report.

6.5.3. Procedure for Catering Agreements

A minimum of five (5) solicitations must be made and documented, and a minimum of 3 written bids must be secured when a new catering meal contract is being considered, except when the agreement is with the Department of Education, a non-profit organization, or another DFTA program. The catering agreement must be signed, and copies provided to both parties and to DFTA. Forms and complete instructions are available from your Program Officer or Nutritionist. Absence of at least three bids dated before the agreement is signed will result in a questioned cost in the audit report.

1. Selection of a Caterer

   The selection of a caterer to provide meals for a nutrition program should be approached with caution. Before taking steps to find a caterer, the currently operating nutrition programs with on-site food preparation should be examined for their potential as caterers. After this resource has been fully investigated, then other avenues should be explored.

   Most for-profit caterers cannot provide the meals at low per meal levels or are not interested in working with non-profit agencies. As with any other business, some firms are reliable and maintain high standards while others may be unreliable and have unacceptable standards.

   Therefore, it is essential to do some preliminary investigation about the reputation of any firm under consideration. Information should be gathered on their financial standing, quality of prepared food, and standards of sanitation at the food preparation-site. Organizations that have used their services should be contacted. A visit should be made to the premises to assess the food service operation and to observe kitchen personnel at work.

   A DFTA nutritionist must visit and approve the use of all catering services used by nutrition programs.

2. Sources of Caterers

   Both for-profit and not-for-profit food service operations should be contacted. The yellow pages of the telephone directory provide a source of names and

locations. Those closest to a program should be selected.

Some not-for-profit agencies that might respond are:

- The school lunch services
- College food services
- Museum cafeterias
- Hospital food services/public and voluntary
- Nursing homes and homes for the elderly

3. Some Points for Discussion With Caterer

- Food quality
- Food portions and serving size
- Number of meals and number of meal service days per year
- Federal Regulations
- Menus, modifications, substitutions
- Sanitary standards
- Health Code requirements
- Food delivery equipment
- Packaging and packing of meals
- Holiday meals and number of program holidays
- Needs of the elderly -- ethnic foods, special diets
- Emergencies
- Per Meal Costs

4. The Legal Document

The points listed above are then formalized and the responsibilities between the two parties are spelled out in a written document. This document is then signed by the two parties and represents a legal binding agreement. A sample of each of the four types of catering documents used by the Department are available from your Program Officer. These are:

a. Agreements with a Commercial or Not-For-Profit Caterer

This consists of two parts:

- Overall contract agreement
- Appendix "A" - where specifics are spelled out

b. Letter of Agreement - between a Nutrition Program and another City agency, i.e., between two DFTA programs or between DFTA and an HRA program.

c. Agreement with the Board of Education School Food Services

d. Special Agreement between Staten Island Meals-on Wheels (which provides two meals a day) and its caterers.

5. Required Signatures

a. Signature Page (on the last page of the agreement) Under "Name of Buyer", indicate corporate name of sponsor, then underneath the corporate name, the signature of the person authorized to sign for the corporation (the Buyer). The same applies to the Seller.

TO ILLUSTRATE:

(Name of Seller)	(Name of Buyer)
Quality Food Company, Inc.	Senior Program of Brooklyn
By: Peter Clean	By: John Doe
Title: Pres. of Co.	Title: Chairman of Board

b. Acknowledgments of Corporation, Partnership, and Individual

A separate notarized acknowledgment is required for each of the two persons authorized to sign the agreement for the program and the caterer. The Notary Public must fill in the date, name, city of residence and the Title of each authorized person. These acknowledgments simply confirm that the person who signs the catering agreement is the same person represented by the name and the title, and has the authority to do so.

Use only acknowledgment forms relevant to the particular agreement. For example, if a representative of a corporation (the seller) signs the agreement, the acknowledgment of partnership and acknowledgment by individual forms are not applicable. The acknowledgment of corporation would be the only form used; the other forms would be discarded. (The representative of the senior center, the buyer, signs the other acknowledgment of corporation form.)

See Nutrition Manual for sample contracts.

6.6. Insurance

6.6.1. Required Insurance

Mandated insurance requirements are included in Article 14, Article 15, and Article 4 of Appendix A of each contract. All contracts require the following insurance coverage:

- General Comprehensive Liability
- Fidelity Bonding
- Worker's Compensation
- New York State Disability

6.6.1.1. General Comprehensive Liability Insurance

General Comprehensive Liability Insurance provides for claims for injuries or death of persons or for damage to property. The minimum required combination of primary and excess liability is $1,000,000 (i.e. $500,000 for primary liability and $500,000 for excess liability meet the requirement). General Comprehensive Liability Insurance must include the following types of insurance:

- Premises/Operations
- Contractual
- Independent Contractors
- Personal Injury
- Product Liability

Contractors should review the Broad Form of their General Comprehensive Liability insurance policy and verify that they meet the minimum insurance requirements.

Contractors are only required to insure the areas used for DFTA funded services, including halls, bathrooms and parts of the facility that may be shared with other programs offered in the same facility. The owner of the facility must maintain adequate insurance reflecting the total building needs. The Department will not fund coverage for areas not used by the DFTA program, nor for any area outside the facility. If the program operates at more than one location, all sites must be specifically listed on the certificate of insurance.

6.6.1.2. Fidelity Bonding

A fidelity bond is an insurance agreement to provide for a financial loss incurred through the act or default of a person. There are individual and blanket bonds. These bonds vary depending on the number of people to be covered and the amount of the coverage. The City of New York requires that all persons receiving, handling, or disbursing money under the grant or collecting funds from service recipients be bonded. The amount of the bonding must be at least 25% of the total budgeted amount of the contract.

6.6.1.3. Workers' Compensation

Workers' Compensation insurance provides coverage for injuries, disabilities, or death to employees while on the job. All employees, regardless of the number of hours worked, must be covered by Workers' Compensation insurance. Statutory coverage is sufficient.

6.6.1.4. New York State Disability

Disability Benefits insurance provides coverage for injuries, disabilities, or death to employees while off the job. Coverage is usually ongoing, unless a policy is canceled. Statutory coverage is sufficient.

6.6.2. Additional Insurance Coverage

In addition to the required insurance previously mentioned, DFTA recommends the following insurance for all contractors:

- Fire Insurance
- Burglary Insurance

DFTA also recommends the following extended coverage for nutrition programs:

- Vandalism
- Malicious Mischief
- Open Stock Burglary

NOTE – the above insurance is required for items purchased with funds from DFTA.

6.6.3. Vehicle Insurance

All programs using vehicles for any service must maintain vehicle insurance. This includes insurance for program-owned vehicles, sponsor-owned vehicles, leased vehicles, vehicles used in a subcontractor service, or vehicles owned by staff or volunteers. The vehicle liability coverage must be for business vehicles and the coverage must name the Department for the Aging and the City of New York as insured's.

6.6.3.1. Minimum Required Coverage For Program-Owned Vehicles

The minimum insurance coverage must include the following:

- Bodily Injury Liability Protection
  - $100,000 per person
  - $300,000 per occurrence for 1-12 seating capacity
  - $500,000 per occurrence for over 12 seating capacity
- Property Damage Liability Protection
  - $50,000 per occurrence
- Physical Damage Collision and Comprehensive Coverage with a $250 deductible is required for vehicles which have accumulated less than 35,000 miles and/or for vehicles that are less than three years old. If after 35,000 miles and three years the program may cancel the collision insurance, however, funds must be set aside for necessary repairs.

6.6.3.2. Sponsor-Owned Vehicles

In addition to naming the Department for the Aging and the City of New York as insureds, sponsors-owned vehicles must also name the Program as an insured.

6.6.3.3. Leased Vehicles

For insurance purposes, a leased vehicle is treated as an owned vehicle. The lease must include an insurance provision that meets the minimum requirement specified for the service for which the vehicle is used.

6.6.3.4. Vehicles Used in Subcontracted Services

In addition to maintaining the general liability coverage of at least $1,000,000, an agency that owns a vehicle used in a subcontracted service must have insurance that is "up to date and adequate for the use of the vehicle" (i.e. if the subcontractor service includes transporting participants, such as a taxi service or ambulance service, the owner must meet the same requirements for bodily injury coverages that is required of program owned vehicles).

6.6.3.5. Vehicles Owned by Staff or by Volunteers

When program staff or volunteers use personally owned vehicles in connection with program services, there is no requirement for liability insurance. However, the vehicle owner should maintain the minimum automobile insurance required by New York State. Staff and volunteers must be cautioned against transporting program participants on a regular basis in any privately owned vehicles. Whenever the transportation is regularly provided, the insurance policy must be for a business vehicle and the minimum insurance requirements apply. (See 6.6.3.1)

6.6.4. Insurance For Subcontractor Services

6.6.4.1 Requirements for All Subcontracted Services

When a program subcontracts all or part of its service to another agency, liability coverage must extend to these subcontractors. All subcontractors must provide the program with a Certificate of Insurance naming the Program, The Department for the Aging, and the City of New York as insureds. Programs part of the CCI program (see section 6.5) must also name the Mayor's Office of Operations as insured. The minimum coverage is $1,000,000 Combined Single Limit for bodily injury and property damage.

6.6.4.2. Center Sponsored Trips

Whenever any program hires a bus to transport a group of participants, a copy of Certificate of Insurance must be obtained from the bus company and kept on site. The amount of motor vehicle liability insurance must be at least $5,000,000 per occurrence for personal injury and $500,000 aggregate for property damage. These limits are set by the Law Department of the City of New York.

6.6.4.3. Catered Meals

When catered meals are subcontracted or catered by another DFTA program, the caterer must maintain Combined Single Limit liability coverage for a minimum of $1,000,000. The Program, the Department for the Aging, and the City of New York should be named as insureds. Programs part of the Citywide Central Insurance (CCI) program must also have the Mayor's Office of Operations named as insured.

Subcontracted meal delivery is not permitted by DFTA. Meal deliverers are considered staff.

6.6.4.4. Construction/Renovation

Construction contractors who perform renovations and construction work that is funded by DFTA are required to maintain the insurance specified in ***6.1.1.5. - Insurance Requirements for Design Consultants*** and ***6.1.1.6. - Insurance Requirements for Renovations***

Prior to entering into a contract for such work, the program must ascertain that the contractor has the required insurance and provides the program with copies of insurance documents. The program must verify that the sponsor and program are named as insured. These documents must be reviewed and kept on file to ensure compliance with the insurance requirements.

These requirements do not apply to minor or ordinary repairs.

6.6.5. How can Programs Purchase Insurance?

Programs have the option of purchasing insurance through the Citywide Central Insurance Program. This package includes all the required and additional recommended coverage plus personnel health benefits. Citywide Central Insurance (CCI) is available only as a complete package. It is not possible to purchase coverage to meet single requirements. CCI does not include vehicle insurance. All contractors interested in CCI should contact their DFTA program officer.

Those programs that do not purchase insurance through the CCI Program, must follow these procedures:

- All coverage must be obtained from an insurer licensed to do business in New York State. If no New York State licensed insurer is able to provide the required coverage, a non-licensed insurer that is financially approved by the State may be used. However, all contractors considering using a non-licensed but financially approved carrier should first contact DFTA to verify that the insurance carrier meets the minimum requirements for doing business with a publicly funded agency.
- Workers' Compensation and Disability Benefits insurance are provided through an insurance broker or the New York State Worker's Compensation Board.
- Both the Department for the Aging and the City of New York must be listed as insureds on all liability policies.
- A provision should be included in the certificate of insurance that states that New York City is "held harmless", except in cases which are due to the City's sole negligence.
- All policies should include a 60 day cancellation notice. A 60 day cancellation notice requires the insurer to give 60 days notice before canceling or refusing to renew the policy. Such notice gives the contractor time to arrange coverage with a new carrier.

- Programs with total funding of less than $10,000 may have difficulty in obtaining general comprehensive liability coverage of $1,000,000 and in obtaining Fidelity Bonding for 25% of the budget. In such cases, the program or sponsor must notify DFTA in writing describing in detail the problems encountered.

6.6.6. Submissions of Proof of Insurance to DFTA/On-Site Records

6.6.6.1 For Required and Additional Insurance

Proof of required and additional recommended insurance must be submitted to DFTA. The following documents must be submitted to DFTA:

- Programs participating in the CCI program must only submit proof of vehicle insurance as described below, which is not covered under the CCI program).
- Programs not participating in the CCI program must present a certificate of insurance, **or** the entire policy with any amendments or riders to the policy, **or** a binder (a binder is a temporary proof of coverage which serves as a policy until the actual policy is issued. Submissions of a binder may be necessary when contractors are arranging new coverage or coverage with a new carrier. The certificate of insurance or the actual policy must be submitted to DFTA once it is received from the insurance carrier).

In addition, programs should submit an insurance broker statement as proof of insurance for Workers' Compensation and Disability Benefits insurance.

6.6.6.2. For Vehicle Insurance

The following documents must be submitted to DFTA as proof of automobile insurance:

- For program-owned or sponsor-owned vehicles, a certificate of insurance or automobile policy must be submitted (the New York State Insurance Identification Card is not acceptable since it includes no information on the amount of coverage).
- For leased vehicles, the lease must be submitted.
- For vehicles used in a subcontractor service, **no** proof of insurance needs to be submitted to DFTA. However, programs still need to obtain a proof of insurance and keep it on file.

6.6.6.3. For Subcontracted Services

The following documents must be submitted to DFTA as proof of insurance:

- For Center-Sponsored Trips and Catered Meals, the certificate of insurance should be kept in your program files, available for monitoring and audits. Only programs with CCI will be asked to submit a copy of the certificates of insurance for each subcontractor. This is required by the Mayor's Office of Operations.
- For Construction/Renovation programs, the certificate of insurance must be maintained in the program's files, and copies should be made available to DFTA **upon request only.**

7. Taxes

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7.1. Introduction

The tax forms discussed in this chapter must be filed by each contractor. In addition to a brief discussion of each form, a copy of the form and a copy of the official instructions for preparation and submission of the form are included (if available). Additional copies of form and instructions may be obtained as follows:

Federal: Internal Revenue Service
120 Church Street
New York, NY 10013
1-800-829-3676
IRS Website – www.irs.gov

State: New York State Taxpayer Contact Center
Room 908, Building 8
W.A. Harriman Campus
Albany, NY 12227
1-800-462-8100
New York State Website – www.tax.state.ny.us/sbc/

It is the contractor's responsibility to obtain and use the most current forms and instructions.

Please refer to section 6.2 of this manual for a discussion of the tax treatment of payments to independent contractors and of senior citizens stipends.

7.2. Tax Booklets

Each contractor should obtain the following tax booklets:

7.2.1. Federal Circular E -- Federal Taxation Charts

Request from: Internal Revenue Service
120 Church Street
New York, New York 10013
1-800-829-3676

7.2.2. NYS-50 New York State, City of New York, and City of Yonkers Withholding Tax Tables and Methods

Request from: NYS Taxpayer Contact Center
Room 908, Building 8
W.A. Harriman Campus
Albany, NY 12227
1-800-462-8100

7.2.3. Handbook for Employers

A guide to employee rights and responsibilities under NYS Unemployment Insurance Law.

Request from: New York State Division of Employment

7.3. Federal Forms

This section provides information for the contractor on Federal Forms that must be filed. Each form is described in subsequent pages of this section. In addition to a brief description, a copy of the form and any appropriate instructions are included directly behind the form description.

The federal forms and the chapter section number where they can be found are as follows:

Section	Form
7.3.1.	Form W-4: Employees Withholding Allowance Certificate
7.3.2.	Form W-2 - Wage and Tax Statement
7.3.3.	Form W-3 - Transmittal of Wage and Tax Statements
7.3.4.	Form 1099 - Misc. - Miscellaneous Income
7.3.5.	Form 1096 - Annual Summary and Transmittal of U.S. Information Returns
7.3.6.	Form 8109 - Federal Tax Deposit Coupon
7.3.7.	Form 941 - Quarterly Return of Income Tax Withheld and Social Security (FICA) Taxes

7.3.1. Form W-4: Employees Withholding Allowance Certificate

Each employee must be given a Federal W-4 form to fill out on the first day of employment. Attach the W-4 to the back of the employee's "Record of Earnings" sheet. A copy of Form W-4 with instructions appears on the following page.

7.3.2. Form W-2 - Wage and Tax Statement

The W-2 form is an Annual Wage and Tax Statement showing the amount of wages paid and taxes withheld for the year. This statement is to be sent to the Federal Government and given to all employees to whom wages have been paid. The Statement should be given to all employees no later than January 31 of the following year and is due (copy A) to the Federal Government on or before February 28. A copy of Form W-2 and Instructions for form W-2 and W-3 appears on the following pages.

7.3.3. Form W-3 - Transmittal of Wage and Tax Statements

The W-3 form is used to transmit Copy A (Social Security Administration) of all W-2 forms to the Federal government on or before February 28. It provides a summary of the W-2 Forms. A copy of Form W-3 appears on the following page.

Form W-3 instructions are included in Section 7.3.2.

7.3.4. Form 1099 - Misc. - Miscellaneous Income

The 1099 - Misc. form is an Annual Statement that reports the amount of fees paid to non-employees (consultants) of your agency. Statements should be given to all consultants no later than January 31 of the following year, regardless of the amount. If any consultant was paid more than $600 for the year, the agency is required to forward a copy of the consultant's 1099 - Misc. form to the Federal Government. A copy of Form 1099-Misc. appears on the following pages.

7.3.5. Form 1096 - Annual Summary and Transmittal of U.S. Information Returns

The 1096 form is used to transmit Forms 1099 Misc. to the Internal Revenue Service on or before February 28. It provides a summary of the 1099 - Misc. Forms. A copy of Form 1096 with instructions appears on the following pages.

7.3.6. Form 8109 - Federal Tax Deposit Coupon

As an employer, the contractor must deposit income tax withheld and Social Security taxes (Social Security taxes include the amount withheld from employees and the matching employer's share) with an authorized commercial bank or a Federal Reserve bank.

A Federal Tax Deposit Coupon Form 8109 must accompany each deposit. Although the Federal Government has established deposit rules for income tax withheld and Social Security taxes, DFTA contractors must make deposits MONTHLY.

7.3.6.1. How to Deposit Taxes

Fill in a pre-printed Federal Tax Deposit Coupon Form 8109 as per instructions. Send or take each Federal Tax Deposit Coupon Form and a single payment covering the amount of taxes to be deposited to any Commercial Bank qualified as a depository for Federal taxes, or to a Federal Reserve bank. Make checks payable to the bank you make your tax deposit with. Deposits should be made by the 10th of the following month.

7.3.6.2. How to Obtain Federal Tax Deposit Coupon Forms

Pre-printed Federal Tax Deposit Coupon Forms will automatically be sent after the contractor files for an identification number. If you have not received pre-printed Federal Tax Deposit Coupon Forms by the due date of a deposit, you should use a Federal Tax Deposit Coupon, Form 8109-B. A copy of Form 8109-B with instructions for use appears on the following page.

7.3.7. Form 941 - Quarterly Return of Income Tax Withheld and Social Security (FICA) Taxes

Every employer who withholds income tax from wages or who is liable for Social Security taxes must file a quarterly return on Form 941. The returns and tax payments are due no later than the last day of the month following the end of the quarter (e.g., due April 30 for the quarter ending March 31). A copy of Form 941 and Instructions for Form 941 appear on the following pages.

7.4. State and City Forms

This section provides information for the contractor on State and City Forms that must be filed. Each form is described in subsequent pages of this section. In addition to a brief description, a copy of the form and any appropriate instructions are included directly behind the form description.

The State and City forms and the chapter section number where they can be found are as follows:

Section	Form
7.4.1.	Form NYS-1-MN - Return of Tax Withheld
7.4.2.	Form WT-4 - Combined Withholding and Wage Reporting Return

7.4.1. Form NYS-1-MN - Return of Tax Withheld

Contractors required to withhold $700 or more during a calendar quarter must use Form NYS-1-MN. For amounts less than $700 you may remit tax required to be withheld with Form NYS-45 Quarterly Combined Withholding and Wage Reporting Return. A copy of Form NYS-1-MN and Instructions for Form NYS-1-MN (including filing frequency) appear on the following pages.

7.4.2. Form NYS-45-MN - Combined Withholding, Wage Reporting, and Unemployment Insurance Return

All employers are required to submit Quarterly Combined Withholding and Wage Reporting Returns. The Return is made up of two parts: Part A, Employers who are subject to **both** unemployment insurance contributions and withholding tax must file Form NYS-45, completing Parts A, B, and C each quarter. Employers subject **only** to **unemployment insurance** contributions must complete Part A and Part C, columns (a), (b), and (c), Employers subject **only** to **withholding tax** must complete Part B for each quarter and Part C, columns (a), (b), (d), and (e), on the final quarterly return filed for the calendar year.

Form NYS-45-MN for the first three calendar quarters is due the last day of the month following the last day of each calendar quarter. However, the fourth quarter wage reporting and annual employee wage and withholding information may be filed on or before February 28. If you elect to file this information after the Form NYS-45 due date of January 31, you must report it on separate Forms NYS-45 ATT, *Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – Attachment*, or on magnetic media.

Copies of Form NYS-45-MN and NYS-45 ATT-MN along with instructions for these forms appear on the following pages.

7.5. Tax Exemption Forms

This section provides information for the contractor on Tax Exemption Forms that must be filed. Each form is described in subsequent pages of this section. In addition to a brief description, a copy of the form and any appropriate instructions are included directly behind the form description.

The Tax Exemption forms and the chapter section number where they can be found are as follows:

Section	Form
7.5.1.	Form 1023 - Application for Recognition of Exemption Under Section 501 (c) (3) of the Internal Revenue Code
7.5.2.	Form SS-4 - Application for Employer Identification Number
7.5.3.	Form 990 - Return of Organization Exempt from Income Tax
7.5.4.	Form CHAR-497- New York State Department of State Annual Financial Report (Charitable Organization).
7.5.5.	Form ST-119.2 - New York State and Local Sales and Use Tax - Application for an Exempt Organization Certificate
7.5.6.	Form NYS-100N - Report to Determine Liability of Non-Profit Organizations Under the New York State Unemployment Insurance Law

These forms should be completed and filed with the appropriate government office by the Contractor.

7.5.1. Form 1023 - Application for Recognition of Exemption Under Section 501 (c) (3) of the Internal Revenue Code

A copy of Form 1023 and Instructions for Form 1023 appear on the following pages.

NOTE: If the organization does not have an organizing instrument, it will not qualify for **Exempt Status**.

7.5.2. Form SS-4 - Application for Employer Identification Number

A copy of Form SS-4 with instructions appears on the following pages.

7.5.3. Form 990 - Return of Organization Exempt from Income Tax

A copy of Form 990 and Instructions for Form 990 appear on the following pages.

7.5.4. Form CHAR-497- New York State Department of State Annual Financial Report (Charitable Organization)

A copy of Form CHAR-497 and Instructions for Form CHAR-497 appear on the following pages.

7.5.5. Form ST-119.2 - New York State and Local Sales and Use Tax - Application for an Exempt Organization Certificate

A copy of Form ST-119.2 and Instructions for Form ST-119.2 appear on the following pages.

7.5.6. Form NYS-100N - Report to Determine Liability of Non-Profit Organizations Under the New York State Unemployment Insurance Law

8. Indirect Cost Rate

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8.1. Introduction

8.1.1. Purpose

All costs that support common objectives and are not identifiable to a specific program or function need to be allocated to each program based on an indirect cost rate calculated by the organization. The indirect cost rate is a ratio, expressed as a percentage, of the indirect costs to a direct cost "base". The direct cost base is usually either total direct costs (excluding capital expenditures and unallowable items), or direct salaries and wages. The base selected must produce an equitable distribution of indirect costs.

Office of Management and Budget Circular A-122 "Cost Principles for Nonprofit Organizations" establishes principles for determining costs of grants, contracts, and other agreements with nonprofit organizations, including the determination of indirect cost rates. Refer to Section 4.4.9 for a copy of this circular.

Indirect costs are reimbursed based on an organization's approved indirect cost rate subject to statutory or administrative limitations, as part of the total costs of individual awards. Indirect cost rates applicable to DFTA funded contracts are established by agreement between the organization and the Department for the Aging.

8.1.2. How do I know if I have to Prepare an Indirect Cost Allocation Plan/Rate?

Contractors who meet both of the following criteria should allocate the indirect costs for their program.

Criteria 1

The Contractor or Nonprofit Organization has multiple programs including one or more DFTA programs.

If Criteria 1 is not met, then the contractor does not have to allocate indirect costs because all indirect costs would apply to the DFTA program.

Criteria 2

Costs are incurred that benefit more than one program and there is no practical basis to allocate these costs other than by the application of an indirect cost rate.

If Criteria 2 is not met, the contractor does not have to prepare an indirect cost allocation plan/rate.

8.1.3. Definition of Direct Cost

Costs which are not joint or common to more than one segment of operations are usually referred to as direct costs, whereas joint or common costs are said to be indirect.

Any direct cost of a minor amount (i.e., office supplies) may be treated as an indirect cost for reason of practicality where the accounting treatment for such costs is consistently applied to all final cost objectives.

The costs of certain activities, such as fund raising, are not allowable as charges to DFTA awards. However, even though these costs are unallowable for purposes of computing charges to DFTA awards, they nonetheless must be treated as direct costs for purposes of determining indirect cost rates and be allocated their share of the organization's indirect costs if they represent activities which:

1. Include the salaries of personnel,
2. Occupy space, and
3. Benefit from the organization as indirect costs.

All costs that are directly attributable to a DFTA program must be considered a direct cost of that program.

8.1.4. Definition of Indirect Cost

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective (program).

After direct costs have been determined and assigned directly to programs, indirect costs are those remaining to be allocated to benefiting programs.

Typical examples of indirect costs may include:

- Depreciation or use allowance on buildings and equipment
- Costs of operating and maintaining facilities
- General administrative (such as salaries of executive officers, personnel administration and accounting)
- General expenses

8.1.5. Definition of Unallowable Costs

There are various costs that the Federal regulations consider to be unallowable in the calculation of direct and indirect costs. OMB Circular A-122, Attachment B details the allowability of certain items of cost. Briefly listed below are examples of unallowable costs:

- Bad Debts
- Entertainment Costs
- Interest Costs
- Contributions and Donations (by the organization to others)
- Organization Costs (in connection with establishment or reorganization of an organization)
- Fines and Penalties
- Federal Income Taxes

8.2. Calculation of an Indirect Cost Rate

8.2.1. General Information

The Simplified allocation method is the preferred method to calculate the indirect cost rate for all organizations whose major functions (i.e., programs) benefit from its indirect costs to approximately the same degree. The base period for the allocation of indirect costs is the period in which such costs are incurred and accumulated for allocation to work performed in that period.

Where a nonprofit organization has several major functions which benefit from its indirect costs in varying degrees, allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefiting functions by means of a base which best measures the degree of benefit. The indirect costs allocated to each function are then distributed to individual awards and other activities included in that function by means of an indirect cost rate(s).

The other allocation methods allowed are:

- Multiple allocation base method - described in OMB Circular A-122, Attachment A, Section D (3)
- Direct allocation method - described in Attachment A, Section D (4)
- Special Indirect Cost Rates - described in Attachment A, Section D (5)

8.2.2. Simplified Allocation Method

The Simplified allocation method is the preferred method to calculate the indirect cost rate for all contractors whose major functions (i.e., programs) benefit from its indirect costs to approximately the same degree. The following procedures should be followed to calculate the indirect cost rate:

1. Identify total expenditures using the most recent audited financial statement by functional group.
2. Deduct capital expenditures and unallowable costs from both the direct and indirect costs. Refer to OMB Circular A-122, Attachment B for selected items of cost.
3. Classify costs as either direct or indirect.
4. Divide total allowable indirect costs (net of applicable credits) by an equitable distribution base, generally modified total direct costs.

STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 199X
With Comparative Totals for Year Ended June 30, 199X
(in 000's)

	Program Services					Supporting Services				
	Senior Center	Residence	CSS Program	HRA	Total	M&G	Fund Raising	Total	20XX	20XX
Salaries	303	153	142	68	666	123	13	136	802	710
Fringe Benefits	39	42	30	15	126	33	3	36	162	118
Total Personnel Service Expenses	342	195	172	83	792	156	16	172	964	828
Building Operations	15	39	3	1	58	4	1	5	63	38
Utilities	20	42	6	0	68	6	1	7	75	79
Professional Fees and Contract Services	25	27	46	0	98	0	0	0	98	78
Food	109	39	5	0	153	0	0	0	153	120
Supplies	7	1	8	1	17	1	1	2	19	20
Postage and Printing	4	1	1	1	7	1	1	2	9	16
Repairs and Maintenance	8	7	0	0	15	2	0	2	17	27
Fund Raising Expenses	0	0	0	0	0	0	42	42	42	3
Misc. Expenses	14	1	2	0	17	1	1	2	19	7
Total Exp. Before Depr.	544	352	243	86	1,225	171	63	234	1,459	1,216
Depreciation	23	81	8	3	115	10	2	12	127	123
Total Expenses	567	433	251	89	1,340	181	65	246	1,586	1,339

5. Use this percentage to distribute indirect costs to individual programs.

An organization's financial statements are shown on the facing page. The calculation would involve the following amounts:

Functional Grouping	Total Expenditures Per Fin'l Stmts	Less (1) Adjustments	Adjusted Direct Costs	Adjusted Indirect Costs (2)
Program Services				
Senior Center	567	2	542	23
Residence	433	3	349	81
CSS Program	251	1	242	8
HRA	89	86	3	
Supporting Services				
Mgmt & General	181	4		177
Fundraising	65	1	62	2
Total	1586	11	1281	294

The indirect cost rate calculation is then as follows:

$$\frac{\text{Indirect Costs}}{\text{Direct Costs}} = \frac{294}{1281} = .23$$

(1) Assumes some expenses are unallowable such as entertainment costs, capital equipment costs and interest costs.

(2) Includes depreciation and management and general.

8.3. Preparation of an Indirect Cost Rate Submission

8.3.1. Items to be Included

Documentation that substantiates the claims for the reimbursement of indirect costs should include:

- Letter to Borough Division showing detailed calculation of indirect cost rate
- Copy of Latest Audited Financial Statements which must include statement of functional expenses
- A supporting schedule showing where the numbers were obtained from the Financial Statements if they are not easily recognized by the reader. Also include calculations of reconciling items if several numbers were added together.

8.4. Review and Approval of Proposal by DFTA

When DFTA reviews the Indirect Cost Rate Proposal submitted, they look for the following:

- Authorized Signatures
- Proper Supporting Documentation (such as copy of latest Audited Financial Statements and Supporting Schedule if needed)

NOTE: DFTA may reject any proposal if it is not clear what category the expenses are in and how the rate is computed.

If all the documentation is available, DFTA then

1. Reviews the Contractor's Initial Indirect Cost Rate Calculation based on the Budget Data
2. Recalculates the Final Indirect Cost Rate Calculation based on Audited Financial Statements
3. Compares the two rates for reasonableness

Note: The DFTA approval of an indirect cost rate does not mitigate the Agency's requirement to have a written indirect cost plan. The documentation to the indirect cost rate/plan should include appropriate schedules, calculations and notations on how the indirect cost rate was calculated.

9. Audit

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9.1. Introduction

Each DFTA contract is subject to be audited by an independent CPA firm assigned by DFTA to assure conformity with generally accepted accounting principles, compliance with terms and conditions of the contract, and the validity of the reimbursements made by the Department for the Aging. The audit report is utilized to substantiate the City's claim for reimbursement from the State and Federal Governments and decisions regarding continued availability of these funds to support the programs being audited. The scope of these audits includes management controls, fiscal records and service records.

Contractors are expected to close books in a timely manner upon termination of a contract and have all books and records ready for a full audit, within 30 days of the end of the program.

If these books and records are not ready at the time the auditor contacts you, this non-compliance of Article 7 of your contract will negatively affect your Annual Vendex Evaluation.

Under the terms of the contract agreement, a final audit will verify the allowable expenses incurred during the contract period relative to the performance of each service stipulated in the Annual Service Delivery Plan and Budget of the contract. The audit will also verify how many units of service were provided throughout the contract period and, in the case of performance based Homecare contracts, compare actual unit costs to reimbursement rates.

These DFTA program audits are performed by the independent CPA in accordance with the DFTA Audit Guide. The requirements of the Audit Guide are available to an organization, upon request.

9.1.1 Agency Audit Policy

As a multi-funded City Agency The Department for the Aging (DFTA) must establish and maintain ongoing systems for monitoring subcontracted services. Therefore, DFTA arranges for periodic on-site monitoring in the form of field audits by DFTA staff and program audits by CPA firms.

DFTA will accept A-133 audits in lieu of program audits. However, DFTA reserves the right to conduct program and field audits at its own discretion.

9.2. Audit Guidelines and Objectives

Audits are made in accordance with Government Auditing Standards issued by the Comptroller General of the United States, auditing standards generally accepted in the United States of America, and the City of New York Department for the Aging Audit Guide.

The objectives of each audit is to determine and report whether:

- Financial reports prepared by the contract agency present fairly the financial condition of the DFTA contract;
- The system of internal control was adequate to safeguard DFTA funds;
- The contract agency has adequate procedures and controls to ensure compliance with Federal, State and City laws, DFTA regulations and contract conditions;
- The contract costs reported to DFTA were documented and allowable in accordance with the contract terms and conditions and the DFTA Fiscal Management Manual;
- Units of service reported to DFTA were supported by adequate program records; and
- The indirect cost rate proposed by the contract agency, as applicable to DFTA funded programs, is adequately documented and provides for a fair and proper basis for indirect costs.

The audit report is divided in two sections. The first section is the financial section and the second section is the compliance and internal control section, as follows:

Financial Section:

- Auditor's opinion on the financial statements
- Financial Statements which include:
  - Statement of Assets and Liabilities
  - Statement of Revenue and Expenses

- Statement of Reimbursable Expenses
- Notes to Financial Statements

- Supplementary Schedules, which include:
  - Schedule of Expenses by Service Cost Center
  - Schedule of Budgeted, Incurred and Questioned Costs
  - Schedule of Budgeted, Delivered and Questioned Units
  - Detailed Schedule of Questioned Costs
  - Detailed Schedule of Questioned Units
  - Schedule of Auditor's Adjustments
  - Schedule of Consultants
  - Schedule of Equipment/Renovations
  - List of Checks Outstanding Six Months or Later
  - Schedule of One-Time Payments

Compliance and Internal Control Section:

- Introduction
- Exit Conference
- DFTA Required Disclosure
- Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards
- Findings and Recommendations on Compliance
- Findings and Recommendations on Internal Control
- Follow-Up of Prior Audit Report

For more complete details to the above refer to Section 500 of the DFTA Audit Guide.

9.3. Audit of Records

The independent auditor must have access to any books, documents, papers, minutes of the Board of Directors and records of the Contractor which the auditor determines are pertinent to a specific DFTA grant, for the purpose of conducting an audit (as per Article 7 of the contract agreement). In order that audits can be completed as quickly as possible, programs must segregate, prior to the audit date, the following records which are applicable to the contract period being audited, so that they will be easily accessible to the auditor:

1. Contract agreement and all internal modifications, including the latest approved budget for the period being audited.
2. Monthly invoices that are submitted to DFTA.
3. DFTA disallowance/adjustment notices.
4. All general ledger, cost allocation records (only if applicable), subsidiary cost ledgers, cash receipts books, cash disbursement books, check registers, petty cash records, payroll registers and other accounting records containing information relative to the contract.
5. (a) Schedule of accounts payable for period being audited along with all unpaid bills. (Any unpaid bill not available to the auditors for verification will not be honored by DFTA.)
   (b) Schedule of accrued salaries for period being audited.
   (c) Vacation and sick leave policy changes, if any, during period being audited.
   (d) Schedule of accrued vacation and sick pay for period being audited.
6. (a) Bank statements and cancelled checks for period being audited.
   (b) Bank reconciliation for period being audited including schedule of bank interest and charges, if any.
   (c) Listing of persons authorized to sign checks.
7. Trial balance for period being audited. (Monthly)
8. All payroll tax returns filed - Federal, State and City (NYSUI, 941s and WT-4 returns) for period being audited and cancelled checks.

9. All time reports of employees, tax withholding authorizations and other supporting information relating to payroll type disbursements.
10. Schedule of salaries per employee including title, Social Security number and budget.
11. All personnel records of employees.
12. All vendor invoices paid with project funds.
13. Details with respect to property and equipment purchased, including an inventory as of the audit year end date.(See chapter 3.7)
14. Inventory of food and consumable supplies on hand as of audit year end date.
15. All back-up data which support the service reporting to DFTA.
16. Records which support any program income as reported to DFTA and local match costs.
17. Any New York City licenses required to be maintained.
18. Minutes of the Board of Directors Meetings.
19. Current listing of Board of Directors including home or business address and telephone number.
20. Schedule of cash advances from DFTA for the period being audited.
21. Schedule of Consultants including but not limited to contractual agreements, bid requirements, type of service(s) provided, bases and rates of pay for the charges (e.g., amount per hour, per session etc.), total amount paid per consultant for the contract audit period.
22. Schedule of one-time payments
23. Rental Leases, Equipment Rental, Catering Agreements including but not limited to bid requirements and other related supporting documentation.
24. Prior year DFTA Audit Report.
25. Indirect cost allocation plan, supporting documentation and computation of indirect cost rate (i.e., latest agency-wide audit report).
26. Cost sharing, voluntary contributions, client billings, collections and receivables as well as an aging of accounts receivable (HOMECARE PROVIDERS ONLY).

Reminder: Generally, DFTA does not audit program's Fund-Raising activities. Therefore, separate books and records should be established and maintained for these funds.

9.4. Post Audit Rate Adjustments (Performance Based Homecare Contracts)

In cases where total reimbursements fall short of total allowable expenses, DFTA will consider rate adjustments which do not require an increase in the annual grant funds. This applies only to contracts with non-profit agencies.

Contractors must provide documentation of the events or circumstances beyond the contractor's control which impeded service delivery or increased costs. These will be reviewed based on the documentation provided and the impact on the revenue sources.

9.5. Recovery of funds Based on Audit Findings

DFTA must recover surplus funds whenever revenues received exceed allowable expenses as verified in the audit.

When audit findings report questioned units and/or questioned costs, a "case by case" review will be conducted that will conclude with written recommendation(s) and justification(s) for allowance or disallowance.

Types of questioned costs or units reported in the final Audit include, but are not limited to the following.

Basis for Questioning	Examples
Specific disallowable costs	Fines and penalties; State and Local Taxes; costs not chargeable to the current grant (costs incurred before or after the grant period). Interest on bank loans.
Unreasonable costs	Purchasing a 2 month's supply of materials during the last month of the contract; Administrative cost not commensurate with the purpose of the contract.
Allocability	Indirect costs charged to another funded program at the same time. There must be a written allocation plan documenting how various costs are spread across major functions/activities. (e.g., Daycare, Youth, Senior Center, etc.)
Documentation	Lack of Time and Attendance Records, Invoices, Recordkeeping Forms, lack of support for the recording of Contributions. Lack of support for units of service reported.
Unapproved Costs	Unauthorized: Personnel changes, Rent, Meals Costs, Consultants Equipment Purchases, Renovations, Out-of-town trips, equipment lease or rental.
Propriety	Cost incurred with the intention to defraud the City.

The allowance or disallowance of questioned units of service will depend on the reason for the questioning. The false documentation of services not delivered will result in a definite recovery of funds. Questioned units due to lack of supporting documentation will be allowed or disallowed after the review process is completed.

9.6. Exit Conference

Upon the completion of an audit, the auditor holds an exit conference with the organization to review the findings of the audit and provide the contractor an opportunity to supply additional information and clarification about the findings. The auditor revises the audit to incorporate any amendments on which agreement has been reached with the contractor.

The exit conference must be attended by the contractor's executive director and/or chief fiscal officer, controller, and bookkeeper. It is strongly recommended that the sponsor attend as well.

Exit conference cannot be attended by a bookkeeper alone.

The exit conference should not be needlessly delayed. Disagreements with findings should be documented, discussed at the exit conference and may be included as part of the responses in the audit report.

9.7. Follow-up

The audit report is reviewed by DFTA's Contract Accounting Unit. All questioned costs/units and findings are listed and sent in an audit review summary/transmittal letter, along with a copy of the audit report to the contractor for clarification. After clarification is achieved, DFTA Contract Accounting prepares a close out letter which is sent to the contractor and Bureau of Community Services (BCS).

The Review Summary (Transmittal letter) highlights the auditor's findings questioned costs/units and requests the contractor to reimburse DFTA for those costs wherein a clear-cut liability exists.

After a reasonable amount of time, in order to permit implementation of audit recommendations, DFTA auditor makes an on-site visit to determine what corrective action plans have, in fact, been taken by the contractor. The auditor then submits a follow-up report to the DFTA Contract Accounting Unit.

10. Homecare

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10.1. Introduction

DFTA home care contracts are performance-based rather than cost-reimbursement. Performance-based contracting is a system in which reimbursement to provider agencies is based on units of service delivered, at a prenegotiated unit cost, rather than on vouchered line-item expenses.

For home care contracts, the line item budget is not the direct basis for reimbursement, but a means for determining the total cost of the contract and, when divided through by the contracted level of service, the unit reimbursement rate. Therefore, the contractor gets reimbursed based on the number of Homemaker and/or Housekeeper units (hours) actually provided to clients during the month.

Home care services are primarily funded through the New York State Expanded In-Home Services for The Elderly Program (EISEP), CSE and tax levy monies.

The two home care services funded by DFTA are Homemaker/ Personal Care and Housekeeper/Chore services.

Homemaker/personal care is a service involving the performance of personal care functions, as well as in-home nutritional and environmental support functions for impaired elderly persons.

Housekeeper/Chore service is limited to the performance of in-home nutritional and environmental support functions for impaired elderly persons.

For homemaker/personal care service the unit of service is one hour. For housekeeper/chore service the unit of service is one hour.

The client's need for a home care service and ability to share in the cost of the service provided is assessed by a DFTA designated Case Management Agency. The case manager authorizes services through a written Referral Form to the home care provider.

The home care provider must provide service as authorized by the Case Management Agency. The provider must also send monthly invoices to cost-sharing clients for services provided, or monthly requests for a contribution for services received.

The Referral Form from the Case Management Agency specifies if the client is to have cost-sharing or contribution status. If the client is cost-sharing the amount of cost-share to be invoiced per hour of service provided is also specified. If the client is contribution status, the amount of contribution to be requested corresponds to the lowest rate of cost-share. The Schedule for Cost-Sharing is determined by New York State, and is revised annually to reflect changes in the Consumer Price Index.

10.2. Post Audit Rate Adjustments (Performance Based Homecare Contracts)

In cases where total reimbursements fall short of total allowable expenses, DFTA will consider rate adjustments which do not require an increase in the annual grant funds. This applies only to contracts with non-profit providers.

Contractors must provide documentation of the events or circumstances beyond the contractor's control which impeded service delivery or increased costs. These will be reviewed based on documentation provided and the impact on the revenue sources.

10.2.1. Recovery of Funds Based on Audit Findings

DFTA must recover surplus funds whenever revenues received exceed allowable expenses as verified in the audit.

Please note that without a written DFTA approved budget modification Homecare providers cannot offset expenses and revenues against Homemaker and Housekeeper cost centers in order to eliminate deficiencies in one cost center with the surplus of the other.

10.3. Billing and Collection Processing Procedures for Home Care Contributions and Fees

The Director of the program is responsible for the collection, counting, recording and deposit of contributions and fees.

10.3.1. Contribution Collection

Contributions clients must receive a contribution letter at least monthly. The request for contribution must be clearly differentiated from an invoice or bill (see sample). If a client does not pay the requested amount, it may not be added onto the amount requested during the next month.

10.3.2. Fees Collection

Monthly invoices (see sample) must be sent to fee-sharing clients (or the family member or other person designated as responsible for fee payment). The amount requested must be the hourly rate specified on the Referral Form multiplied by the number of hours provided during the preceding month. The amount requested may not exceed the maximum monthly rate for the client.

Clients who express concerns about the amount of their cost-share must be referred to their case managers. No temporary or permanent adjustments in the amount of cost-share may be made by the home care provider.

In order to monitor the billings to, and payments received and not received from each client, a subsidiary fees receivable ledger must be maintained. The fees receivable ledger can consist of an index card for each client billed, or an account for each client in a bound ledger.

SAMPLE CONTRIBUTION REQUEST

DATE: 07/26/XX

4 - DD015 - 08

175 W. 12TH ST. - 3C

NEW YORK, N.Y. 10011

CONTRIBUTION REQUEST FOR SERVICE RENDERED TO (CLIENT NAME)

DATE	HOURS	AMOUNT
06/03/XX	4	2.52
06/10/XX	4	2.52
06/17/XX	4	2.52
TOTAL	12	7.56
TOTAL DUE		$7.56

If you have any questions regarding this contribution request, please call (agency phone number).

Please send a copy of this request with your check or money order. Do not send cash. Thank you.

This is your suggested contribution for the month of June 'XX. This is not a fee for service and you will not be denied service due to an inability to pay.

All contributions enable us to continue to provide service to all those in need of homecare. We appreciate your continued support and hope that you are satisfied with our services.

If you sent in a contribution for the previous month your canceled check will serve as your receipt. Thank you once again for your support.

SAMPLE COST SHARE INVOICE TO CLIENT

DATE: 09/20/XX

INVOICE: 08-0063

5 - P0609 - 06

149 W. 105TH ST.

NEW YORK, N.Y. 10025

INVOICE FOR SERVICE RENDERED TO (CLIENT NAME)

DATE	HOURS	AMOUNT
08/02/XX	4	2.24
08/03/XX	4	2.24
08/04/XX	4	2.24
08/08/XX	4	2.24
08/09/XX	4	2.24
08/10/\XX	4	2.24
08/15/XX	4	2.24
08/16/XX	4	2.24
08/17/\XX	4	2.24
08/18/XX	4	2.24
08/19/XX	4	2.24
08/24/XX	4	2.24
08/25/XX	4	2.24
08/26/XX	4	2.24
08/29/XX	4	2.24
08/30/XX	4	2.24
08/31/XX	4	2.24
TOTAL	68	38.08
TOT EXCEEDS MAX		$ 20.10
TOTAL DUE		$20.10

If you have any questions regarding this invoice, please call (agency phone number).

Please send a copy of this invoice with your check or money order. Do not send cash. Thank you.

10.4. Bookkeeping

A record must be kept, by client, of fees billed, collected and receivable. The following are sample transactions.

For each billing, the initial entry should be recorded in the General Ledger as follows:

Date	Debit	Credit
Fees receivable (Name of client)	$	
Revenues - Fees		$

To record billing to (name of client) for services provided in the month of _____.

For each payment received and deposited, the entry will be recorded in the Cash Receipts and Disbursements Journal as follows:

Date	Debit	Credit
Cash	$	
Fees Receivable (Name of Client)		$

The Fees Receivable Subsidiary Ledger must be kept by client.

For contributions a record must also be maintained by client but revenue is not recognized until an actual cash contribution is received.

10.5. The Schedule of Amounts Billed, Collected and Receivable (Aging Accounts Receivable)

This Schedule is completed quarterly, and submitted to the Bureau of Senior Services (BSS) for review.

The Schedule is a year-to-date aging of accounts (fees) receivable, by client, with accounts listed and their balances entered in columns according to age.

The point for determining the account's age is the due date of the account. Unpaid home care accounts are considered past due after 35 days. When an account is past due, procedures for collection of past-due amounts must be instituted. BSS follows up with providers reporting past-due amounts (aged in past-due columns) to inquire whether these procedures are in effect.

The Schedule is cumulative for the fiscal year. The first quarter schedule lists all clients served as of July 1. The amount billed begins with the billing for July. The last column (Amounts Owed From Previous Year) is used to record any amounts carried over from the previous year.

Client names are carried on the Schedule for the full fiscal year, with new names added as new clients come on.

Once a name is on the list, it must remain there for the remainder of the year, whether or not there is any activity. Subsequent Schedules include these clients and any new clients.

If an Agency wishes to adjust a receivable balance of a client, the Agency must contact BSS to obtain approval.

10.5.1. Instructions for Completing Schedule of Accounts Billed, Collected and Receivable (Aging Accounts Receivable)

The form is completed for FY XX on a cumulative quarterly basis. The first quarter is July 1, 20XX through September 30, 20XX. The second quarter is July 1, 20XX through December 30, 20XX, etc.

Instructions for Completing Schedule of Account Billed, Collected and Receivable (Aging Accounts Receivable)

Data Element Number	Element Name	Instructions
1	Case Management Agency ID #	Enter the ID # of the referring case management agency.
2	Client	Enter the name of each fee-paying client, as of July 1. As clients are added during the year, add their names. No names should be removed.
3	SS #	Enter the SS # of each client.
4	Fees Billed, Y-T-D	Enter the total dollar amount billed to the client year-to-date (from July through the present) in this column.
5	Fees Collected, Y-T-D	Enter the total dollar amount collected from the client year-to-date (from July through the present) in this column.
6	Fees Receivable Y-T-D	Subtract the amount of fees collected from the client from the amount billed, and enter the difference. The amount "receivable" is the total amount billed to the client but not yet collected during the current year. Fees receivable and fees collected should equal fees billed. However, if the client did not receive services during the period covered by the most recent invoice, but has paid for prior services in full, fees collected y-t-d will equal fees billed y-t-d. Nothing will be "receivable."

Instructions for Completing Schedule of Account Billed, Collected and Receivable (Aging Accounts Receivable) (Continued)

Data Element Number	Element Name	Instructions
7	Aging of Accounts 1-35 Days	Enter the amount on the most recent invoice to the client if it is not yet due (within 35 days of billing). If the client's account is current (nothing past due), this amount will equal the amount in the Fees Receivable Column. If the client was not billed for service on the most recent invoice, but owes for past months, the amount in this column will be "0" but the amount due will be distributed in the "past-due" section.
8-11	Aging of Accounts 1-30 days (8), 31-60 days (9), 61-90 days (10), 91-365 days (11)	Amounts distributed in these columns are all past-due. An account is past due when payment has not been received within 35 days of the date of the invoice. Distribute amounts owed more than 35 days in the appropriate column, depending on how many days the amount is past due (from 1-365).
12	Amount Past Due From Previous Year	Enter any amounts carried over as past-due from previous year.

SCHEDULE OF AMOUNTS BILLED, COLLECTED, AND RECEIVABLE BY CLIENT
Y-T-D QUARTERLY REPORT FOR THE PERIOD JULY 1, _____ THROUGH _____

Program Name: _____ DFTA ID#:_____ Phone #:_____

CASE MGT.			FEES			CURRENT RECEIVABLE (Not Yet Due)	DAYS PAST DUE AGING OF Y-T-D AMOUNTS RECEIVABLE (# OF DAYS PAST DUE DATE)				AMOUNT PAST DUE FROM PREVIOUS YEAR
AGENCY ID#	CLIENT	S.S.#	BILLED Y-T-D	COLLECTED Y-T-D	RECEIVABLE Y-T-D	1-35 days past billing date*	1-30 days past due**	31-60 days past due**	61-90 days past due**	91-360 days past due**	
TOTAL											

* Amount in this column is Not Yet Due. After 35 days (from billing date), amount in this column is past due. Client must be sent a Late Payment Notice.
** Amount in this column is Past Due. Past Due collection proceedings must be in effect.

_____
Authorized Signature for Contract Agency Date

_____
Print Name/Title

10.5.2. Understanding the Sample Schedule(s) of Amounts Billed, Collected and Receivable

10.5.2.1 Sample Quarterly Schedule for July 1 - September 30.

This sample schedule was completed on October 10 based on sample subsidiary ledger entries shown in 10.4.

Through 10/10, Jonas has been billed $33. Jonas has paid for July and August ($22). Only the September invoice (most current) is receivable ($11). That invoice was mailed on October 8. Therefore, the account is aged 2 days and is a current receivable.

Through 10/10, Potter has been billed $24. Only $8 of that amount has been collected. Of the amount receivable ($16), only the $8 billed on October 8 is a current receivable (not yet due). The amount that Potter still has not paid for August became past-due on October 9. Therefore, it is distributed in the column 1-30 days past-due. **A Late Payment Notice should be sent to Paula Potter for this amount.**

As of 10/10, Smith's account, like Jonas', is current. $60 has been billed , $40 collected, and the amount owed is for the current or most recent invoice.

10.5.2.2 Sample Schedule for July 1 - December 30

The cumulative schedule, covering the first and second quarters, was completed January 10.

Two new names have been added to the roster. Both Ed Bailey and Mabel London are current on their accounts.

Of the clients carried over from July, Jonas has now been billed $66, but is current on his account (owes only for the current or most recent invoice).

Potter responded to the first Last Payment Notice by paying $8 for August on 10/21. However, another Late Payment Notice had to be sent when the September invoice mailed October 8 was not paid by November 20. By 1/10, this September invoice is past due 58 days. . Therefore, it is aged in the 31-60 days column.

Potter's October and November invoices are also past-due. The October invoice was due 12/6, and therefore falls in the 1-35 days past due column. The November invoice was due January 8, and also falls in the 1-35 days past-due column. **If the home care provider does not receive the terms of a Partial Payment Plan by January 20, or if Potter does not pay the full amount past-due by that date, the**

home care provider should request written notice of client disposition from the case management agency.

Smith has not made any payments for October, November or December. A Late Payment Notice was sent to Smith on December 10 for October. The amount owed for October ($16) was past-due December 6. As of January 10, it is aged 35 days. The amount owed for November ($20) was past-due on January 7. It is 3 days past-due. **If the home care provider does not receive the terms of a Partial Payment Plan by January 20, or if Potter does not pay the full amount past-due by that date, the home care provider should request written notice of client disposition from the case management agency.**

SCHEDULE OF AMOUNTS BILLED, COLLECTED, AND RECEIVABLE BY CLIENT
Y-T-D QUARTERLY REPORT FOR THE PERIOD JULY 1, 20XX THROUGH December 30, 20XX

Program Name: ACME Home Care DFTA ID#: 265 Phone #: 718-432-9999

CASE MGT.			FEES			CURRENT RECEIVABLE (Not Yet Due)	DAYS PAST DUE AGING OF Y-T-D AMOUNTS RECEIVABLE (# OF DAYS PAST DUE DATE)				AMOUNT PAST DUE FROM PREVIOUS YEAR
AGENCY ID#	CLIENT	S.S.#	BILLED Y-T-D	COLLECTED Y-T-D	RECEIVABLE Y-T-D	1-35 days past billing date*	1-30 days past due**	31-60 days past due**	61-90 days past due**	91-360 days past due**	
198	Bailey, Ed		30.00	20.00	10.00	10.00					
	Jonas, Sid		66.00	55.00	11.00	11.00					
	London, Mabel		28.00	16.00	12.00	12.00					
	Potter, Paula		48.00	16.00	32.00	8.00	16.00	8.00			
	Smith, Mary		116.00	60.00	56.00	40.00	16.00				
TOTAL			288.00	167.00	121.00	81.00	32.00	8.00			

* Amount in this column is Not Yet Due. After 35 days (from billing date), amount in this column is past due. Client must be sent a Late Payment Notice.
** Amount in this column is Past Due. Past Due collection proceedings must be in effect.

01/10/XX
Authorized Signature for Contract Agency Date

BARBARA TALBOT, BOOKKEEPER
Print Name/Title

Sid Jonas

Month	Explanation	Debit	Credit	Balance
July '9_	Bill sent 8/4	$11.00		$11.00
	Payment received 8/19 for July		$11.00	-0-
Aug '9_	Bill sent 9/3 Payment received 9/19 for August	$11.00	$11.00	$11.00 -0-
Sept '9_	Bill sent 10/8	$11.00		$11.00
	Payment received 10/24 for September		$11.00	-0-
Oct '9_	Bill sent 11/1	$11.00		$11.00
Nov '9_	Bill sent 12/3	$11.00		$22.00
	Payment received 12/29 for October and November		$22.00	-0-
Dec '9_	Bill sent 1/5	$11.00		$11.00

Paula Potter

Month	Explanation	Debit	Credit	Balance
July ' 9_	Bill sent 8/4	$8.00		$8.00
	Payment received 8/30 for July		$8.00	-0-
Aug '9_	Bill sent 9/3	$8.00		$8.00
Sept '9_	Bill sent 10/8	$8.00		$16.00
	Late Payment Notice 10/10			$16.00
	Payment received 10/21 for July		$8.00	$8.00
Oct '9_	Bill sent 11/1	$8.00		$16.00
Nov '9_	Bill sent 12/3	$8.00		$24.00
	Late Payment Notice 12/8			$24.00
Dec '9_	Bill sent 1/5	$8.00		$32.00

Mary Smith

Month	Explanation	Debit	Credit	Balance
July ' 9_	Bill sent 8/4	$20.00		$20.00
	Payment received 9/1 for July		$20.00	-0-
Aug '9_	Bill sent 9/3 Payment	$20.00		$20.00
	received 10/5 for September		$20.00	-0-
Sept '9_	Bill sent 10/8	$20.00		$20.00
	Payment received 10/28 for September		$20.00	-0-
Oct '9_	Bill sent 11/1	$16.00		$16.00
Nov '9_	Bill sent 12/3	$20.00		$36.00
Dec '9_	Bill sent 1/5	$20.00		$56.00

Ed Bailey

Month	Explanation	Debit	Credit	Balance
Oct '9_	Bill sent 11/1	$10.00		$10.00
	Payment received 11/30 for October		$10.00	-0-
Nov '9_	Bill sent 12/3	$10.00		$10.00
	Payment received 12/20 for November		$10.00	-0-
Dec '9_	Bill sent 1/5	$10.00		$10.00

Mabel London

Month	Explanation	Debit	Credit	Balance
Nov '9_	Bill sent 12/3	$16.00		$16.00
	Payment received 12/28 for November		$16.00	-0-
Dec '9_	Bill sent 1/5	$12.00		$12.00

10.6. Procedure For Follow-Up for Past Due Cost Share Amounts

The home care provider and case management agency must be able to document that they have followed required procedures to collect past-due amounts from home care clients. If these procedures are not documented as follows, the home care provider may be held liable for uncollected amounts.

When payment has not been received within 35 calendar days of the mailing of the initial bill to a fee-paying client, the amount due is considered "past due". Past due collection proceedings must begin.

10.6.1. Late Payment Notice

The home care agency must send a Standard Late Payment Notice to the client (see sample), with a copy to the case management agency if more than 35 days have elapsed since the invoice was mailed and no payment has been received.. A copy of the Notice must be maintained in the client's file.

10.6.2. Follow-Up By Case Manager

The case manager must follow up the Late Payment Notice to the client with a letter and/or phone call (see sample). Within three weeks of the date of the Late Payment Notice, the case manager must inform the home care provider about the status of client follow-up. Client may be Status #1, #2, or #3 as described below.

10.6.2.1 Status #1: Client agrees to Partial Payment Plan

A copy of the Partial payment plan with the client must be sent to the home care provider. It must stipulate:

- period of time that the plan will be in effect
- the reduced hourly rate that has been agreed upon for the period of the agreement.
- Client agrees to resume payment of the full amount of the assessed cost share at the end of the agreement period (unless agreement is formally extended).

- Client will pay full amount in arrears once full payment is resumed (this may be done by pro-rating the amount in arrears and adding it to the monthly invoice until it is paid off. The pro-rated amount may be nominal if warranted by the client's circumstances).

10.6.2.2 Status #2: Client agrees to pay full amount owed before or upon receipt of the next bill

10.6.2.3 Status # 3: Discussion/Negotiations Are Occurring (period of negotiation limited to 90 days from the date of the Late Payment Notice.

10.6.3. Invoicing during past-due collection proceedings

The provider must invoice/bill the client as follows during past-due collection proceedings.

- Invoice while Partial Payment Plan is in effect.

  While a partial payment plan is in effect, invoices to the client must reflect the agreed upon amount, in addition to the past-due amount, and the assessed cost-share amount. When the time period negotiated for partial payment is over, the monthly invoice must be for the full amount of the assessed cost share, plus any pro-rated amount that has been agreed upon.

- Invoice if Partial Payment Plan is not in effect.

  If a partial payment plan has not been agreed upon, but the case manager is still working with the client to resolve difficulties, the next invoice to the client following the Late Payment Notice must specify both the current amount and the past-due amount. The past-due amount must be identified as such.

  Letter must include letterhead with name address and phone number of the Agency.

Form A – Late Payment Notice

(Sent by Home Care Provider to Client)

Date: _____

_____

Dear:

Payment on home care services we provided last month is now past due. The amount due is $_____.

Please remit payment immediately. If you have any questions about your bill, please call our office at (agency phone number). If there are problems which prevent your making full payment at this time, please discuss the situation with your case manager, who may be able to arrange a temporary payment plan.

We thank you for your anticipated cooperation. If we do not hear from you or receive payment within 30 calendar days, we will no longer be able to provide service.

Sincerely,

(Contact Person for Collection of Fees)

10.6.4. Termination Proceedings

If a Partial Payment Plan has not been negotiated (e.g., client refuses to make an accommodation), and a past-due amount is still owed, Termination Proceedings should begin 90 days from the date of the Last Payment Notice. At the case manager's discretion, the client may be given an additional grace period of 30 days. (Home care provider must be notified).

The case manager must notify the client and the home care agency that services will be terminated within five days of receipt of the Termination Notice as a result of failure to pay cost-share, or negotiate a Partial Payment Plan in good faith. The case manager must also notify the client of the right to a fair hearing. If the client requests the hearing, the case manager must determine whether service should be continued until the hearing is concluded.

To ensure that all procedures have been followed, the provider should request a Termination Notice from the case management agency if none has been received and there is no Partial Payment Plan. However, the home care provider must continue to provide service until receiving the Notice.

10.7. Processing Claims

Home care providers must maintain the same books, records, and cost allocation records as other DFTA contracts on a cash basis (except for fee billings and collections). Home care actual costs are reported on the monthly invoice. However, home care providers are reimbursed on a budgeted unit reimbursement rate.

Although Performance Based contract providers are reimbursed on a budgeted unit reimbursement rate throughout the year, the final contract reimbursable rate is calculated on the actual program expenditures per the provider's books and records. The provider must reimburse any excess to DFTA within 30 days of the end of the fiscal year. Also no expenditures, which exceed the budget maximum reimbursable unit rate, will be reimbursed to the Performance Based contract provider.

Following are instructions and samples for preparing home care invoices and back-up documentation required for home care reporting.

10.7.1. Contractor Invoice for Home Care

Homemaker and Housekeeper providers must complete all sections of the customized DFTA monthly invoice generated for home care providers and must include with the invoice a Monthly Service Summary for each case management agency served, and notification of each client accepted for Medicaid home care.

Submit the original invoice with required attachments and one copy to:

Fiscal: Contract Accounting
NYC Department for the Aging
2 Lafayette Street - 9th Floor
New York, New York 10007-1392

Invoices are due by 5:00 p.m. on the 25th day of each month. When the 25th falls on weekends or holidays, invoices are due on the next business day.

Please type or write clearly in ink and only in the appropriate spaces provided. Data must be legible on both copies of the invoice. If information is not clear and complete, the invoice cannot be processed and will be returned. If you must make corrections on the invoice do not use "white out." Use a single line to cross out numbers and write them over.

Only one invoice per month can be submitted. If a reporting error is discovered, an adjustment can be included in the next month's invoice (see 10.9.6) except for the month of June.

10.7.1.1 Invoice Header Information

Identification data appears at the top of each page of the customized invoice. The contractor must complete the Month/Year of Invoice and Days Open fields on each page.

Instructions for Completing the Header on Each Page of the Invoice

Data Element Number	Element Name	Instructions
1	Month/Year of Invoice	Enter in the format of MM/YY, for example, 07/04 for July 20XX.
2	Days Open	Enter the number of days the program actually operated in the reporting month. Only one figure can be entered. If there are additional sites (satellites) which differ in the number of days open, enter whichever is greater.

10.7.1.2 Service Delivery Report for Homecare Services Section I

This section of the Homecare Invoice must be completed by providers of Homemaker and/or Housekeeper services.

Instructions for Completing Service Delivery Report for Homecare Services Section of the Invoice

Data Element Number	Element Name	Instructions
3	Units Delivered	Enter the total number of units for Homemaker and/or Housekeeper. Units must be entered in whole numbers. The number of units reported must be substantiated by the accompanying monthly service summary (10.7.2).
4	Unit Reimbursement Rate	The respective reimbursement rate as stated in your contract is pre-printed on your customized invoice.
5	Reimbursement Claimed	Multiply the reported units delivered for each service by the respective reimbursement rate for that service.
6	Homecare Reimbursement	Add the Reimbursement Claimed column. Be sure that the multiplications and additions are accurate.

Instructions for Completing Service Delivery Report for Homecare Services Section of the Invoice (Continued)

Data Element Number	Element Name	Instructions
7	Fees Billed	Enter in the space for each service the amount billed to all fee sharing clients receiving that service in the month for which the invoice is submitted. Use dollars and cents. Note that this column is fees BILLED, not fees collected. The billing must be for services provided in the current month only. Enter the total fees billed on the last line in the column.
8	Fees Received	Payments received from cost-sharing clients must be reported by service in the month in which the fee is received, which is **not** the same as the month in which service was given or a bill was sent. Do not combine fee payments and contributions; separate records must be kept in order to report separate totals. Enter total fees received on the last line in the column.
9	Contributions Received	Enter voluntary contributions received on the line corresponding to the service for which the money was collected. Enter dollars and cents. Enter total contributions received on the last line in the column.

Instructions for Completing Service Delivery Report for Homecare Services Section of the Invoice (Continued)

Data Element Number	Element Name	Instructions
10	Units Provided by WEP Workers	Enter the number of units provided by WEP (Work Employment Program) workers. NOTE: These units are a part of the total units reported; WEP units can be equal to or less than but not more than the total units reported.
11	DFTA Use Only - Other	Please do not write anything in this section. This will be used by DFTA staff to record TempCare hours reported on back-up materials.
12	Cash Expenditures-Column A This Month	Enter the total paid-out cash expenditures only for Homemaker and/or Housekeeper.
13	Cash Expenditures-Column B Adjustment	Enter adjustments to be made. Total this Column.
14	Cash Expenditures-Column C Year to Date	Enter the total year-to-date expenditures for Homemaker and/or Housekeeper. Total this Column.
15	Certification	The Homecare invoice must be signed and dated by an authorized representative of the contract agency. Also must print name and title.

NOTE: Homemaker and Housekeeper Cost Centers are restrictive, and cannot be commingled. Deficiencies in one cannot be offset by a surplus in the other.

NEW YORK CITY DEPARTMENT FOR THE AGING
CONTRACTOR INVOICE AND SERVICE REPORT

SPONSOR: PROGRAM: _____ PHONE NUMBER: _____ CONTRACT: _____
MO/YR OF INVOICE: __1__/___ DAYS OPEN: 2

IV. SERVICE DELIVERY REPORT FOR HOMECARE SERVICES

SERVICE DELIVERED	(3) UNITS DELIVERED	(4) UNIT REIMBURSEMENT RATE	(5) REIMBURSEMENT CLAIMED	(7) FEES BILLED	(8) FEES RECEIVED	(9) CONTRIBUTIONS RECEIVED	(10) OF TOTAL UNITS REPORTED, UNITS PROVIDED BY WEP WORKERS	(11) DFTA USE ONLY TEMPCARE
HOMEMAKER	_____	8.35	$_____	$_____	$_____	$_____	_____	_____
HOUSEKEEPER	_____	8.69	$_____	$_____	$_____	$_____	_____	_____
HOMECARE REIMBURSEMENT			$___(6)___	$_____	$_____	$_____		_____

CASH EXPENDITURES

	(12) A THIS MONTH	(13) B ADJUSTMENT	(14) C YEAR TO DATE
HOMEMAKER			
HOUSEKEEPER			
TOTAL			

PLEASE ATTACH:

1. MONTHLY SERVICE SUMMARY
2. COPY OF TERMINATION FORM FOR EACH CLIENT ACCEPTED FOR MEDICAID HOMECARE

(15) CERTIFICATION

I CERTIFY THAT THIS INVOICE REPRESENTS A TRUE AND ACCURATE ACCOUNT OF THE SERVICES PROVIDED, FEES BILLED AND CONTRIBUTIONS RECEIVED AND THAT RECORDS VERIFYING THIS INFORMATION ARE ON FILE FOR INSPECTION BY THE NEW YORK CITY DEPARTMENT FOR THE AGING OR OTHER APPROPRIATE STATE OR FEDERAL AUTHORITIES. I ALSO CERTIFY THAT THE MATCH AS STATED IN THE CONTRACT HAS BEEN PROVIDED

_____ _____
AUTHORIZED SIGNATURE FOR CONTRACT AGENCY DATE

MAIL THE ORIGINAL AND ONE COPY OF THIS INVOICE TO:

FISCAL: CONTRACT ACCOUNTING
N.Y.C. DEPARTMENT FOR THE AGING
2 LAFAYETTE STREET, 9TH FLOOR
NEW YORK, NY 10007

DFTA USE ONLY

DATE RECEIVED: ____/____/____ INVOICE NO.:_____ BSS: _____ DATE: ____/____/____

MEMO TO AUTHORIZE ADDITIONAL HOURS OF HOMECARE

TO:_____ I.D.#_____
Home Care Agency

FROM:_____ I.D.#_____
Care Management Agency

SERVICE:_____ Month of _____ 19_____

Additional hours of service have been authorized during this month for the clients listed. The maximum monthly authorized hours are:

Social Security #	Name	Maximum Authorized Hours for Month

_____ _____
Signature – Care Management Agency Date

10.7.2. Monthly Service Summary

The homecare provider must submit a Monthly Service summary for each Case Management Agency from which it gets referrals along with the monthly Invoice to DFTA. The Monthly Service Summary (or Summaries) backs-up the total number of hours claimed on the invoice.

The Case Management Agency generates the computerized Monthly Service Summary based on information in its client data system. A separate Summary is printed for homemaker/personal care service, for housekeeping service, and for temporary care.. Each Summary lists the names of each client authorized for the service, the name of the case manager, the client's social security number, authorization date and authorized weekly units. The computer also prints a line in either the non-C column (non-cost share), or the C-Share column (cost-share) to indicate the status of the client. The homecare provider completes the Summary by entering on the indicated line the number of hours actually provided to the client during the month.

Monthly Service summaries for the preceding month are due to each homecare provider no later than the 5th working day of the following month.

In addition to sending the Monthly Service Summaries to DFTA (see also Homecare Services Recap), a copy of the completed Monthly Service Summary must be returned to the care management agency.

10.7.2.1 Completing the Monthly Service Summary

Completing the Monthly Service Summary

Units delivered for each client may be in quarter-hours, <u>using decimals ONLY:</u>

15 minutes = .25 Hour

30 minutes - .5 Hour

45 minutes - .75 Hour

Monthly Service Summary

Report Date: 10/25/20XX

Page: Page of

For October 20XX

CMA: Provider ID:

Home Care Agency: Provider ID:

Service: HMPC Service Type: DFTA

Social Security #	Client's Name	Service Subtype	Auth. Units	-----Units Delivered----- Eisep non-C	Eisep C-Share
	David D	Homemaker/PC	20/Weekly	_____	
	Nora R	Homemaker/PC	4/Weekly	_____	
	Sadie B	Homemaker/PC	8/Weekly		_____
	Eva J	Homemaker/PC	8/Weekly	_____	
	Alvin G	Homemaker/PC	4/Weekly		_____

Services Authorized: 189.2 ----------

Services Delivered:

Keep all decimals until the total number of units to be reported for each service (Homemaker or Housekeeper) is calculated. In that step, round the total to the nearest whole number, and show the whole number on the last page of the Service Summary and the invoice. Half a unit or more (.5 or .75) is rounded up; less than half (.25) is dropped. There is no carryover of partial hours from one month to the next.

To avoid errors, enter "0" if no units are reported for a particular client.

1. Give the total number of hours of service provided to each client during the month reported.
2. Show the total units reported on each page, using the pre-printed line at the bottom, "Subtotal."
3. The last page of the service summary from each Case Management Agency pre-prints a line, "Services Delivered Total Units." Enter the total units reported for all clients authorized by that Case Management Agency. The same pages also shows the total clients authorized for service by that Case Management Agency.
4. The last page of the service summary from each Case Management agency must be signed by an authorized representative of the Homecare provider.
5. If a form to correct previous months is needed, use a Homecare Services Recap page (see 10.7.3) to total current units and corrections.

10.7.2.2 When a Client's Name is Missing from the Monthly Service Summary

Do not add names to the list, Contact the Case Management Agency for a correct list. If there is insufficient time to get a new list, the client in questions cannot be added to the Monthly Service Summary for the current month, but can be included in the adjustment submitted in a following month as a correction on the separate form, Adjustment to Previous Reported Unit of Homecare (see 10.7.6).

10.7.2.3 When the Weekly Authorized Hours are Incorrect

Do not change any authorized hours. Contact the Case Management Agency and follow the guidelines for a missing name, as above.

10.7.2.4 When the authorization date is more than seven months old

Notify the Case Management Agency and request new Referral Form.

10.7.2.5 When a Client Has a Special Need in the Current Month

If a client needed additional hours during the month reported (without an increase in the regular weekly authorization) and the Case Management Agency agreed to (or requested) the additional hours, a memo from the Case Management Agency must authorize those additional hours. The memo must be submitted with the Monthly Service Summary (see 10.7.4 - Memo to Authorize Additional Hours).

10.7.2.6 When a Client is Accepted for Medicaid Home Care

After a client is accepted for Medicaid home care, the Case Management Agency sends a Client Termination Notice (see 10.7.5) R to the DFTA home care provider indicating the dates of M11Q submission, and start of Medicaid Home Attendant Service. Home care providers must send DFTA a copy of the Termination Notice with the next monthly invoice.

10.7.2.7 When Units are Disallowed

You will receive a copy of service summary pages showing disallowed units with a cover memo summarizing the reasons for any change to Homecare units reported. Do not submit a revised or supplementary invoice. DFTA can process only one invoice per program per month. All corrections can be included in the next month's invoice using the form Adjustments to Previously Reported Units of Homecare (see 10.7.6) to correct or reclaim units form a previous month.

10.7.2.8 Other Errors

When the Homecare Agency or Case Management Agency discover an error in services already reported, a correction can be included in the next month's invoice. The form, Adjustment to Previously Reported Units of Homecare should be used (see 10.7.6).

10.7.3. Homecare Services Recap

If the Monthly Service Summary is for more than one Case Management Agency or includes corrections from a previous month, the Homecare Services Recap must be completed to show the GRAND total of all homecare units provided. Note that each service (Homemaker, Housekeeper) must be on a separate page.

HOMECARE SERVICES RECAP

Program Name: _____ Service:_____

Program ID#:_____ Month: _____

Date: _____ 20_____ Page_____ of _____

Units Delivered This Month
(and Adjusting Units from Previous Summaries)

	Non-Cost Share	Cost Share	Temporary	Total
Care Management ID _____ Current Units Adjustments Month_____ Month_____ Month_____ Total ID_____ Care Management ID _____ Current Units Adjustments Month_____ Month_____ Month_____ Total ID _____				
TOTAL				

_____
(Home Care Agency – Signature)

This form, along with the completed Monthly Service Summaries from the Care Management Agencies, <u>must</u> be attached to the Monthly Invoice.

10.7.3.1 Instruction for Completing the Homecare Services Recap Form

1. Enter all identifying information at the top.
2. Enter the identifying and service information as requested on the revised (9/93) form.
3. Show the total of each column at the bottom of the page. If more than one Recap page is needed, mark these totals "subtotal".
4. If more than one page is needed, carry the subtotal of each page to the last page of the Recap and show the grand total at the bottom. The last page of the Recap must be signed by an authorized representative of the Homecare Agency.
5. Submit the Recap with the invoice.

10.7.4. Memo to Authorize Additional Hours of Homecare

The Case Management Agency must complete this Form when the client needs additional hours during any month (without an increase in the regular authorization).

The Memo must be sent to the Homecare provider, who will submit it to DFTA with the Monthly Services Summary, and maintain a copy in the client's file.

MEMO TO AUTHORIZE ADDITIONAL HOURS OF HOMECARE

TO: _____ I.D.#_____
Home Care Agency

FROM:_____ I.D.#_____
Care Management Agency

SERVICE:_____ Month of _____ 20_____

Additional hours of service have been authorized during this month for the clients listed. The maximum monthly authorized hours are:

Social Security #	Name	Maximum Authorized Hours for the Month

_____ _____
Signature – Care Management Agency Date

10.7.5. Service Termination Notice

This Form must be completed by the Case Management Agency and sent to the Homecare Agency when Homemaker/Personal Care or Housekeeper Services are to be terminated.

The Case Management Agency enters all required information, including the Services Termination Date for DFTA homecare. If the termination is involuntary, the client may have a right to a hearing. If appropriate to the situation, the client is informed about hearing rights and procedures. The client must have received a Notice of Termination from the Case Management Agency at least ten days before the Service Termination Date.

If service is being terminated because the client has been accepted by Medicaid, the Case Management Agency must complete the Termination Form with the date of submission of M11Q, date of submission of Medicaid Application, and date Medicaid Home Attendant Service began.

The homecare provider must submit a copy of the Service Termination Notice with the next invoice when the reason for termination is start-up of Medicaid Home Attendant Service. DFTA will submit a retroactive claim to HRA for Temporary Care provided.

10.7.6. Adjustment to Previously Reported Units of Homecare

This Form is used to correct a summary of Homecare services in a previously reported month. It is not submitted separately but is held for the next monthly invoice and incorporated into that month's totals.

Either the homecare or Case Management Agency can initiate a needed correction and both agencies must agree on all correction to be made. The homecare agency produces the summary of Unit Adjustments, listing only the clients for whom an adjustment is needed. All forms should be typed or in ink. The Homecare Agency must send the Form to the Case Management Agency for verification. This verification consists of checking that:

1. Social Security number, name and authorization date are correct for each client listed.
2. The weekly authorized units are accurate for the month being corrected.

SERVICE TERMINATION NOTICE

HOMEMAKER/PERSONAL CARE _____ [Check One]
HOUSEKEEPING _____

Care Management Agency_____

DFTA I.D. No. _____ _____ _____

Home Care Agency DFTA I.D. No. _____ _____ _____

Client's Name_____

Client's Social Security No. _____ _____ _____/_____ _____/_____ _____ _____ _____

Client's Address:_____

_____ Zip _____

Service Termination Date for DFTA Home Care_____

Reason for Termination:

_____

_____

Complete only when termination is due to start of Medicaid Homecare:

Date of Submission of Mllq_____

Date of Submission of Medicaid Application_____

Date Medicaid Home Attendant Service Began_____

*NOTE: When the client is approved for Medicaid service, the Home Care Provider must submit a copy of this form with the next invoice.

_____
Signature of Authorized Care Management Staff

Date_____20_____

ADJUSTMENTS TO PREVIOUSLY REPORTED UNITS OF HOMECARE

Service_____ Month of _____ 20_____ Page_____ of _____

Case Management Agency_____ ID.#_____

Home Care Agency_____ ID.#_____

	Soc. Sec. No.	Last Name, Initial	Auth. Date	Weekly Auth. Hours	Adjustment to Units of Service: Non Cost Share			Cost Share			Temporary (Other)		
					Rptd	Paid	Corr	Rptd	Paid	Corr	Rptd	Paid	Corr.
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
			TOTAL										
		Units Adjustments (Correct less Paid) → → → → →		→ → →									

Total Adjustments_____ Rptd = Reported Paid = Paid on original invoice Corr = Correct

I certify that this summary is accurate in the following areas: Social Security Number, Name, Authorization Date, Weekly Authorized Hours, and that "correct" units are in the app-appropriate category.

_____ _____
Signature (Care Management Agency) Date

I certify that this summary is accurate in the following areas: number of units of service previously reported, paid and correct for each of the clients listed.

_____ _____
Signature (Home Care Agency) Date

3. The units of service for each client are in the proper category: Non-cost share, Cost share, or Temporary.
4. The units of service under the "correct" category for each client correspond to the amount authorized by your agency in that month. (The units under "reported" are for reference only; the units under "paid" can be checked only by the Homecare Agency and DFTA.)

The case management agency also checks the total of units in each column and the grand total of correcting units reported. These corrections change the Case Management Agency's records of units used.

If the case management agency finds errors, it must contact the Homecare Agency and agree on the correct number (s) to use. The Case Management Agency may make any agreed-upon changes.

Each page of the adjustment summary must be signed and dated by an authorized representative of the Case Management Agency. The Case Management Agency must then make a copy for their records and send the original back to the Homecare Agency.

The Homecare Agency submits the Adjustments Form with the next monthly invoice.

10.7.6.1 Instructions for home care agency

1. List the social Security number and last name of only those clients for whom a correction in service hours is needed. This includes:

a. Clients omitted from a previous monthly service summary.

b. Clients who received more or less service hours than originally reported.

c. Clients whose service hours were reported in the wrong category.

d. Clients whose service hours were diallowed by DFTA. This information will be sent to you by Contract Management Service after the invoice is reviewed.

2. For each client, enter the date service was authorized and the weekly authorized units for the month being corrected. You must note which category is correct for each client: Non-cost share, Cost share, or Temporary. This can be done by entering zero (-0-) in the spaces that do not apply. All of this information can be found on the most recent Monthly Service Summary or can be obtained from the Case Management Agency.

3. Enter in the correct category for each client:

   a. Number of units reported to DFTA in the month being corrected. This is found on your copy of the monthly service summary.

   b. Number of units paid by DFTA in the month being corrected. This is found in the information sent by Contract Management Services. If -0- units were reported, then -0- units were paid. If DFTA disallowed units for a particular client (shown by a line drawn through that client's name and reported units in the copy of the service summary), then -0- units were paid for that client. If a client's name and reported units do not have a line drawn through them, then DFTA paid for all reported units.

4. Total each column and place at the bottom where indicated.

5. In each category, the correct total minus the paid total equals the Adjustment units. Use brackets whenever the result of the subtraction yields a negative number.

6. Total all Adjustment units and enter in the space provided.

7. The Adjustment to Previously reported Units of Homecare must be signed and dated by authorized representatives of the Homecare Agency and the Case Management Agency. If the Case Management Agency does not agree with any entry, they must contact you. Both agencies must agree before the correcting summary can be submitted to DFTA.

8. After the adjustment summary has been prepared and authorized by both agencies, it can be submitted with the next regular monthly invoice. It must be listed on the Homecare Service Recap, identified by Case Management Agency and noted as a correction for a specific month. The adjusted units should be combined with current units so that the next monthly invoice includes the corrections.

   These corrections are time consuming for both agencies to prepare and for DFTA to check. Please be sure that all adjustments for a month are included on one report so that no more than one adjustment is ever submitted for any month. Wait until you have received any adjustment notice from Contract Management Services for a given month before you submit a correction for that month. Once that is received, make all corrections promptly since both you and the Case Management Agency need an accurate accounting of units used. If corrections are needed after the June invoice has been submitted and paid, contact your program officer.

Form A - Late Payment Notice

(Sent by Home Care Provider to Client)

Date: _____

Dear:

Payment on home care services we provided last month is now past due. The amount due is $_____.

Please remit payment immediately. If you have any questions about your bill, please call our office at (agency phone number). If there are problems which prevent your making full payment at this time, please discuss this situation with your case manager, who may be able to arrange a temporary payment plan.

We thank you for your anticipated cooperation. If we do not hear from you or receive payment within 30 calendar days, your Case Management Agency will be notified. This may result in termination of services.

Sincerely,

(Contact Person for Collection of Fees)

Form B - Standard Follow-up Letter

(Sent by Home Care Provider to Client)

Date: _____

Dear:

I have been informed by your home care provider that they have not received payment from you for the home care service you receive. If you can make the full payment now, please mail it immediately to the address you have been given.

If you are having difficulty making the payment, or if there are problems with your home care service that you would like to discuss. Please let me know. I am available to help you resolve any misunderstandings or problems so that your home care service can continue. I can be reached at _____ (phone number).

Sincerely,

(Case Manager)

11. Other Performance Based Contracts

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11.1. Introduction

DFTA Performance Based contracts are reimbursed similar to home care contracts. Performance-based contracting is a system in which reimbursement to provider agencies is based on units of service delivered, at a prenegotiated unit cost, rather than on vouchered line-item expenses.

For Performance Based contracts, the line item budget is not the direct basis for reimbursement, but a means for determining the total cost of the contract and, when divided through by the contracted level of service, the unit reimbursement rate. Therefore, the contractor gets reimbursed based on the number of units (hours) actually provided to clients during the month.

The other primary types of Performance Based contracts DFTA awards are Case Management, Legal and Social Adult Day Services (SADS).

Case Management is a service providing assistance in obtaining needed social services for elderly persons.

Social Adult Day Services (SADS) is a structured program that serves cognitively impaired and/or physically frail individuals in a group setting for less than a 24-hour period.

For Case Management the unit of service is one hour. For SADS a unit of service is an on site program day, including transportation, for a qualified individual.

Legal is a service provided by, or under the supervision of, an attorney, to older persons. For Legal a unit of service is one hour.

11.2. Processing Claims

Performance Based Contract providers must maintain the same books, records, and cost allocation records as other DFTA contracts on a cash basis. Performance Based Contract actual costs are reported on the monthly invoice in total only, not by budget line categories. However, Performance Based Contracts are reimbursed on a budgeted unit reimbursement rate.

Although Performance Based contract providers are reimbursed on a budgeted unit reimbursement rate throughout the year, the final contract reimbursable rate is calculated on the actual program expenditures per the provider's books and records. The provider must reimburse any excess to DFTA within 30 days of the end of the fiscal year. Also no expenditures, which exceed the budget maximum reimbursable unit rate, will be reimbursed to the Performance Based contract provider.

See the following instructions and sample invoice for Performance Based programs.

11.2.1. Contractor Invoice for Performance Based Contracts

Performance Based Contract providers must complete all sections of the customized DFTA monthly invoice generated for Performance Based Contract providers.

Submit the original invoice and one copy to:

Fiscal: Contract Accounting
NYC Department for the Aging
2 Lafayette Street - 9th Floor
New York, New York 10007-1392

Invoices are due by 5:00 p.m. on the 15th day of each month. When due date falls on weekends or holidays, invoices are due on the next business day.

Please type or write clearly in ink and only in the appropriate spaces provided. Data must be legible on both copies of the invoice. If information is not clear and complete, the invoice cannot be processed and will be returned.

Only one invoice per month can be submitted. If a reporting error is discovered, an adjustment can be included in the next month's invoice except for the month of June.

11.2.1.1 Invoice Header Information

Identification data appears at the top of each page of the customized invoice. The contractor must complete the Month/Year of Invoice and Days Open fields on each page.

Instructions for Completing the Header on Each Page of the Invoice

Data Element Number	Element Name	Instructions
1	Month/Year of Invoice	Enter in the format MM/YY, for example, 07/XX for July 20XX.
2	Days Open	Enter the number of days the program actually operated in the reporting month. Only one figure can be entered. If there are additional sites (satellites) which differ in the number of days open, enter whichever is greater.

11.2.1.2 Service Delivery Report for Units of Service Section I

This section of the Performance Based Invoice must be completed by providers of Performance Based services.

Instructions for Completing Service Delivery Report for Performance Based Services Section of the Invoice

Data Element Number	Element Name	Instructions
3	Units Delivered	Enter the total number of units for Performance Based Contracts. Units must be entered in whole numbers. (If units fractions are entered, invoice will be rejected)
4	Unit Reimbursement Rate	The respective reimbursement rate as stated in your contract is pre-printed on your customized invoice.
5	Reimbursement Claimed	Multiply the reported units delivered for each service by the respective reimbursement rate for that service.
6	Contributions Received	Enter voluntary contributions received on the line corresponding to the service for which the money was collected. Enter dollars and cents. Enter total contributions received on the last line in the column.
7	Medicaid Eligible Units of Total Units	Enter the total number of Medicaid eligible units of total units delivered in data element number 3.

11.2.1.3 Instruction for Completing Cash Expenditure, Section of the Invoice (Section II)

Data Element Number	Element Name	Instructions
8	Cash Expenditures – This Month	Enter the total paid-out cash expenditures for the Performance Based program.
9	Cash Expenditures – Adjustment	Enter adjustments to be made. Including detailed memo explaining the adjustment by line item
10	Cash Expenditures – Year to Date	Enter the total year to date cash expenditures for the Performance Based Program based on your General Ledger

11.2.1.4 Instruction for Completing Certification, Section of the Invoice

Data Element Number	Element Name	Instructions
11	Certification	The invoice must be signed and dated by an authorized representative of the contract agency. Also must print name and title.

NEW YORK CITY DEPARTMENT FOR THE AGING
CONTRACTOR INVOICE AND SERVICE REPORT

SPONSOR:	PROGRAM:	PHONE#:	CONTRACT: 20040000000
	MO/YR OF INVOICE: (1) /	DAYS OPEN: (2)	

I. SERVICE DELIVERY REPORT FOR UNITS OF SERVICES

	(3) UNITS DELIVERED	(4) REIMBURSEMENT RATE	(5) REIMBURSEMENT CLAIMED	(6) CONTRIBUTIONS RECEIVED	(7) MEDICAID ELIGIBLE UNITS OF TOTAL UNITS
CASE MANAGEMENT	_____	28.29	$_____	$_____	$_____

II. CASH EXPENDITURES

	(8) THIS MONTH	(9) ADJUSTMENTS	(10) YEAR-TO-DATE
CSMG (CMG)	$_____	$_____	$_____

(11)
CERTIFICATION

I CERTIFY THAT THIS INVOICE REPRESENTS A TRUE AND ACCURATE ACCOUNT OF THE SERVICES PROVIDED, AND CONTRIBUTIONS RECEIVED AND THAT RECORDS VERIFYING THIS INFORMATION ARE ON FILE FOR INSPECTION BY THE NEW YORK CITY DEPARTMENT FOR THE AGING OR OTHER APPROPRIATE STATE OR FEDERAL AUTHORITIES. I ALSO CERTIFY THAT THE MATCH AS STATED IN THE CONTRACT HAS BEEN PROVIDED

_____ _____
AUTHORIZED SIGNATURE FOR CONTRACT AGENCY DATE

_____
AUTHORIZED NAME (PLEASE PRINT)

MAIL THE ORIGINAL AND ONE COPY OF THIS INVOICE TO:

FISCAL: CONTRACT ACCOUNTING
N.Y.C. DEPARTMENT FOR THE AGING
2 LAFAYETTE STREET, 9TH FLOOR
NEW YORK, NY 10007-1392

DFTA USE ONLY

DATE RECEIVED: ____/____/____ INVOICE NO.:_____

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