

Summary of Changes to the Budget Section of the FY15 Fiscal Manual

Please note: DYCD would like to announce planned changes to the Budget and Budget Modification sections of the FY15 Fiscal Manual. These changes apply to budgets and payments that are effective on or after July 1, 2014.

DYCD has revised the consultant agreement and subcontract agreement forms and added new consultant agreement modification and subcontractor agreement modification forms. All new forms will be included in the appendices of the FY15 Fiscal Manual, which will be released later this year. However, DYCD is releasing these new forms (via our website at http://www.nyc.gov/html/dycd/html/resources/cbo_budgets.shtml) so that they may be used in FY15 budget development.

The FY15 Fiscal Manual will include minor changes to the definition of consultants, subcontractors, and vendors. The new definitions for these categories are as follows:

- Consultants are individuals with specific skills, retained to perform limited programmatic tasks or to complete program related projects on a temporary and/or limited basis, where the tasks or projects cannot be accomplished by the contractor's staff.
- Subcontractors are independent entities retained to perform specific programmatic services.
- Vendors are entities or individuals retained to provide services to the contractor and who do not provide direct program services; examples of services provided by vendors are cleaning, security, accounting, etc.

Below is the full text for the Consultant, Subcontractor and Vendor subsections of the Budget Section in the FY15 Fiscal Manual.

Consultants

Consultants are individuals with specific skills, retained to perform limited programmatic tasks or to complete program related projects on a temporary and/or limited basis, where the tasks or projects cannot be accomplished by the contractor's staff. The services provided by the Consultant must be related to the program work scope described in the contract. All consultants paid by DYCD contract are required to be an approved item within the budget under line 2100, pursuant to a consultant agreement (see below). CBOs must receive the prior written consent of DYCD to use a consultant, approval of which would be part of the regular budget approval process.

Consultants cannot be salaried employees of the contractor. Consultants are self-employed individuals who maintain their own service and financial records.

For each consultant listed, attach a signed, notarized Consultant Agreement and a resume. (If extra space is required to list the Consultants, please use the tab "Additional Info Page 3" of the Budget Spreadsheet.) Consultants retained by a CBO must enter into a written agreement, detailing the specific tasks to be performed. Consultants will be allowed by DYCD only for those services that cannot be performed by CBO staff. If a consultant's services are required for an extended period, such an individual must be hired as an employee. Consultant Agreements and invoices must be maintained by the CBO for six (6) years. Consultant invoices must include the following details: rate, hours, type of

services, date of service, consultant signature, and approval by the Organization's Executive Director or his/her designee. Consultant services are exempt from bidding requirements.

Subcontractors

Subcontractors are independent entities retained to perform specific programmatic services. A Subcontract Agreement will be governed by the terms of the DYCD contract. Depending on the size of the subcontract, approval of a subcontract may require the completion of VENDEX Vendor and Principal Questionnaires and other information about the entity.

For each Subcontractor listed on the Budget, attach a signed, notarized Subcontract Agreement with the subcontractor's EIN # and a listing of its Board of Directors.

A prime Contractor shall not enter into any subcontract for the performance of its obligations without prior written approval from DYCD. All subcontract agreements submitted for approval must be accompanied with the City of New York Subcontractor Approval Form. Upon approval, DYCD will forward a copy of the approval form to the prime contractor for their records and will also approve the subcontractor in the Payee Information Portal (PIP) system. For more information please visit the PIP system at www.nyc.gov/pip

The prime Contractor will be required to utilize the City's web based system, PIP, to identify all subcontractors in order to obtain subcontractor approval pursuant to PPB Rule section 4-13, and will also be required to enter all subcontractor payment information and other related information in such system during the contract term. Failure of the prime Contractor to list a subcontractor and/or to report subcontractor payments in a timely fashion may result in the Agency declaring the prime contractor in default of the contract and may subject the prime contractor to liquidated damages in the amount of \$100 per day for each day that the prime contractor fails to identify a subcontractor along with the required information about the subcontractor and/or fails to report payments to a subcontractor.

Discretionary contractors may, in certain circumstances, be able to subcontract out no more than 35% of the value of the discretionary contract.

Vendors

Vendors are entities or individuals retained to provide services to the contractor and who do not provide direct program services; examples of services provided by vendors are cleaning, security, accounting, etc. Vendor Agreements should be maintained on file at the CBO for a minimum of six (6) years. CBOs must follow the purchasing procedures outlined in the Fiscal Manual for the procurement of services from vendors (Section 4).