WELCOME

Department of Children, Youth & Their Families
Doing Business with DCYF Workshop
April 9, 2018
AGENDA

15 min
Introduction to Contracts & Compliance

60 min
Review of Doing Business

45 min
Q&A
INTRODUCTION TO CONTRACTS & COMPLIANCE
Contracts & Compliance Team

Brett Conner
Grants Manager

Greg Rojas
Senior Contracts & Compliance Specialist

Loren Newquist
Senior Contracts & Compliance Analyst

Carissa Wu
Junior Contracts & Compliance Analyst
Core Areas of Responsibility

- Contract management
- Grantee compliance
- Fiscal monitoring of grantees
- Capacity building on nonprofit finance and administration
- Grant policy
Doing Business with DCYF
REVIEW OF DOING BUSINESS
The DCYF Grant Agreement

Key Points
- Confirm your agency name and program description (Grant Plan) is correct
- Confirm your award amount matches your understanding (5.1)
  - 10% contingency
- Will be signed electronically
# The Grant Approval Process

The approval process takes approximately 4-6 weeks.

Plan accordingly.

<table>
<thead>
<tr>
<th>1. Award Letter</th>
<th>2. Workplan Negotiation</th>
<th>3. Grant Agreement Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grantees will receive a letter from DCYF’s executive director that will indicate the amount of the award, the grant term and the program being funded.</td>
<td>Using CMS, grantees will enter their agency, program, and budget data. Your Program Specialist will work with you to ensure that all elements of the workplan reflect the agreed upon Grant Plan, and will approve it in CMS once this process is complete.</td>
<td>Once the workplan is approved (or in many cases simultaneously with this process), DCYF’s Contracts &amp; Compliance Team will generate a grant agreement using the City’s Financial System Project, often referred to as FSP. The process is entirely electronic, including signature. At this point you may also receive a request for insurance certificates, City supplier certification, or other required documents.</td>
</tr>
</tbody>
</table>

**WORKPLAN DEADLINES:**
- For grants with summer programming, workplans must be submitted by May 1.
- For all other grants, workplans are due by July 1.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Once DCYF has created the contract in FSP, the system will send an e-mail to the grantee’s executive director for e-signature using the DocuSign service. Following the executive director’s signature, the contract will be routed for internal City signatures. Once all signatures are collected, DocuSign will e-mail all parties a fully executed contract with all signatures.</td>
<td>With the grant agreement now complete, DCYF’s Fiscal Office will work with the Controller’s Office to encumber the grant funds for the first fiscal year. Once Controller approval is received, the DCYF Fiscal Office assigns each grant agreement a unique purchase order (PO) number. Once a PO number is assigned, the agency will receive notice indicating that the approval process is complete, and that invoicing can begin.</td>
<td>The approval process is now complete. Grantee can receive funds by filing monthly invoices.</td>
</tr>
</tbody>
</table>
Budget
Contract Monitoring System (CMS)

Along with Agency, Contact & Program, Services & Projections, and Projected Activities, Budget information is a required element of a DCYF workplan. All workplan information is entered into CMS.

Training on CMS is available at www.dcyf.org
Budget Categories

DCYF asks that applicants create their budget using the following categories:

- Adult Staff
- Youth Staff
- Fringe Benefits
- Subcontractors
- Materials & Supplies
- Other Program Expenses
- Administrative
Adult Staff

- For salaries of staff providing program services, including:
  - Executive/Senior Leadership
  - Program Manager
  - Direct Service Provider
  - Support Staff
- One entry for each staff member
- All salaries to be reported as an hourly wage
# Adult Staff

<table>
<thead>
<tr>
<th>Role</th>
<th>Title</th>
<th>Hourly Wage</th>
<th>Yearly Hours</th>
<th>Total Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Manager</td>
<td>Manager of Youth Programming</td>
<td>35.00</td>
<td>428.57</td>
<td>15000.00</td>
</tr>
</tbody>
</table>

**Roles & Responsibilities**

Oversight of program staff, reporting on activities
Youth Staff

- For salaries of youth employed by program
- One entry for each class of youth employee (same title, wage, and hours)
Youth Staff

![Image of a youth staff management interface]

- **Title/Position**: Interns
  - # of Positions: 5
  - Hourly Wage: $15.00
  - # Hours/Wk: 8.00
  - # Weeks/Year: 10.00
  - Total Pay: $6000.00

Roles & Responsibilities: General assignments to support program operations

- **Title/Position**: Summer Ambassadors
  - # of Positions: 20
  - Hourly Wage: $18.00
  - # Hours/Wk: 15.00
  - # Weeks/Year: 9.00
  - Total Pay: $4800.00

Roles & Responsibilities: Work with youth in main summer OST program
Fringe Benefits

- FICA
- Health Benefits
- Retirement Benefits
- SUI
- Vacation/Comp Time Payout
- Workers Compensation
Subcontractors

- External parties that are working in direct service of the program
- Can be other nonprofits, for-profit companies, or individuals/sole proprietors
- Must have an MOU in place
- Subcontractors cannot utilize subcontractors themselves
- Subcontractors are held to the same contractual and compliance requirements as the lead agency
Materials & Supplies

- **Office Supplies** – Items used by staff in the operation of the program (paper, pens, toner, etc.)
- **Program Supplies** – Items used as part of the program (art supplies, sports equipment, etc.)
- Expected to be replaced each year
Other Program Expenses

For expenses directly incurred by the program

- Communications
- Equipment
- Fees
- Field Trips
- Food
- Human Resources Costs
- Insurance
- Maintenance
- Occupancy
- Participant Incentives
- Professional Development
- Special Events
- Stipends
- Transportation
- Utilities
- Other – (ex. contractors providing program evaluation services)
Administrative

For expenses incurred in support of general agency operations

- Agency Administrative Fees
- Audit
- Communications
- Contractors
- Equipment
- Fees
- Fiscal Sponsorship Fees
- Fringe

- Human Resources Costs
- Insurance
- Maintenance
- Materials & Supplies
- Occupancy
- Personnel
- Professional Development
- Tax Preparation
- Utilities

15% CAP
Disallowable Expenses

While most standard expenses are eligible for DCYF grant reimbursement, some costs are disallowable. DCYF cannot support:

- Expenses that merely benefit children and youth incidentally
- Fundraising
- Religious workshops, instruction or proselytization
- Political activities
- Any excluded activities described in the San Francisco Charter, Section 16.108 (g)
Disallowable Expenses

**Adult and Youth Staff**
- Stipends for adult or youth workers
- Salaries for administrative staff
- Performance bonuses
- Severance payments

**Fringe**
- PTO accruals
- Taxes or other withholdings not incurred during the grant term
Disallowable Expenses

Subcontractors
- Services supporting program
- Administrative services

Materials & Supplies
- Supplies used in general agency operations
- Durable goods

Administrative
- Costs directly related to the funded program
Disallowable Expenses

- Expenses not directly related to the program
- Penalties, fees or interest resulting from late payments
- Items not for primary and direct use by the program
- Bank late/overdraft fees
- Youth snacks in excess of $2.50 per youth, per snack
- Staff meals
- Alcoholic beverages
- Capital expenses
- Depreciation
- Property taxes
- Rent for administrative space
- Security deposits

- Costs for loans against owned property
- Acquisition of real property
- Cost recovery greater than $25 per square foot or 10% of the total award
- Staff recognitions and/or similar non-program celebrations
- Events attended by staff only
- Stipends of $600 or greater
- Stipends or incentives for adults older than 24
- Parking/moving violations, towing
- Cost of purchasing a vehicle without prior approval
Suggestions for Completing Your Budget

- Provide the Full Cost of Your Program
- Be Aware of Shared Expenses
- Get Input from Others
- Be Specific
- Provide Details in Numbers and Words
- Using "Other"
Use of Grant Funds

- DCYF funding is on a reimbursement basis
- Invoices filed monthly
- After review of these invoice DCYF will issue payment
- Cash reserves – maintain at least 1 month of expenses in reserve; ideally 3-6
Stipends and Incentives

- Stipend - A small amount of money paid to someone for engaging in a limited periods of work in support of a funded agency or organization
- Key determining factor: Who is receiving the benefit from the young person’s work? If agency, then it is a stipend
- Limit is $599
Stipends and Incentives

• Incentive - A nominal payment to youth for participating in a program or for reaching certain goals
• Can be cash, gift card, or other format
• Who is receiving the benefit? In these cases, the youth – not agency
• No cap
Requirements for Using Stipends and Incentives

If making any direct payments to youth, have a written policy:

1. Requirements for youth to receive payment
2. Amount of payment
3. Process for payment
4. Documentation

DCYF will review an agency’s stipend policy during the Fiscal and Compliance Monitoring Visit.
Advances

- Available to all grantees, every year
- Up to 10% of your annual grant amount
- Written request must be made to DCYF by July 1
  - DCYF may not approve all requests
- Repaid via invoice deductions from November to April (6 monthly installments)
Budget Revision Requests

Two types of Budget Revisions:
1. Category to Category (Formal Process)
2. Within same category (Informal Process)

Budget Revision Deadlines
• December 31 - 1st Revision
• March 31 - 2nd Revision
• [July 1 – Summer Only]
Step by Step Budget Revision Guide

Request Made  
Budget Revision Form Created  
Budget Revision Form Completed  
Request Approval  
Budget Updated
Invoices

- Cost-reimbursement basis
- Submitted monthly in CMS
- Due 45 days after close of month
- Must include program narratives, participant & activity data
- Normal processing time of 2 to 5 days

FINAL DEADLINE:
AUGUST 15
Supporting Documentation Review

- Fiscal and Compliance Monitoring Visit
- Year End Invoice Review
- Monthly Invoice Review
Financial System Project (F$P)

- Citywide financial and procurement system
- Processes Grant Agreements and payments
- All grantees must have an account in F$P

What’s the difference between F$P and CMS?
Payments

- Paymode-X (Automatic Clearinghouse)
- Online login
- Check your payment status

Trainings, FAQs are available
F$P Help Desk: sfcitypartnersupport@sfgov.org
or call (415) 944-2442
Grantee Expectations

These areas will be reviewed during regular program and fiscal visits.
Performance Improvement Plan

• A guided set of actions required to regain compliance
• A collaborative process to research the cause of compliance issues and collaboratively propose solutions
• The final will include:
  • Expectations not being met
  • Actions required to meet them
  • Timeline to complete the plan
  • Consequences of not meeting these expectations
Insurance

The City requires three types of coverage:

• Commercial General Liability (including Abuse & Molestation)
• Workers’ Compensation*
• Commercial Automobile Liability*

*Possible to waive with written request
Equipment/Supplies of Program Not Funded

- Grantees must inform DCYF of all equipment and supplies purchases
- If program is no longer funded, these items will remain available for public use
- DCYF may require the equipment be transferred to another nonprofit
DCYF Audit Policy

Independent oversight in the form of an audit or review
Three circumstances require either audit or review:

1. Budget Size
   a. Full Audit ≥ $750,000
   b. Financial Review between $500,000 and $750,000
2. Funding – Total Amount
   a. Full Audit ≥ $250,000
   b. Financial Review between $100,000 and $250,000
3. Funding – Relative to Budget Size
   a. Financial Review ≥ 75% of Budget

If more than one apply, an audit is required
DCYF Nutrition Policy

- For 2018-23 grant cycle, all programs serving food to youth must have formal written nutrition policy
- All policies must be submitted to DCYF by January 1, 2019
- Limitation on spending $2.50 per meal per youth
- Participation in the DCYF sponsored nutrition program encouraged
Privacy Policies and Practices

- DCYF requires grantees to report personally identifiable information
- DCYF recognizes the importance of confidentiality
- DCYF-SFUSD partnership now requires a formal Memorandum of Understanding (MOU) between all grantees and SFUSD
- Grantees must collect consent forms
- Use of and access to personally identifiable information
- Reporting
- Collection of participant surveys
Use of a Fiscal Sponsor

- Fiscal sponsors are expected to follow all grantee requirements
- A fiscal sponsor must meet the following requirements in order to be considered valid:
  - Hold active 501(c)(3) nonprofit status
  - Maintain adequate fiscal staff and systems
  - Hold sufficient operating reserves
  - Receive an annual financial audit
  - File a Form 990 annually
  - Provide financial statements upon request for itself and the sponsored program
  - Have a signed Memorandum of Understanding with the sponsored program
Annual Economic Statement

Requirement to file with City Administrator annually
Fiscal and Compliance Monitoring Visit

- Each funded agency will receive an annual Fiscal and Compliance Monitoring visit or Self-Assessment
- Not a financial audit
- An opportunity to improve the quality and consistency of fiscal and other compliance procedures
- If funded by multiple City departments, Citywide Joint Monitoring and Capacity Building Program
- If DCYF only, visit will uphold citywide standards
Fiscal Visit Steps

1. Notification
2. Documents Sent
3. Grantee Preparation
4. Fiscal Visit
5. Monitoring Report Letter
6. Grantee Response
7. Final Status Letter
Thank You
Making San Francisco a great place to grow up
Doing Business with DCYF

- WELCOME
- REVIEW OF DOING BUSINESS
- CONTRACTS & COMPLIANCE
- Q&A