

# FY 2024 PASSPORT BUDGET REMINDERS

- CBOs must submit: General Liability Insurance Certificate for \$1 million dollars with the policy's endorsement; proof of: Worker's Comp, Disability Ins and Broker's Certification to [dycdinsurance@dycd.nyc.gov](mailto:dycdinsurance@dycd.nyc.gov). See the sample package on DYCD's website for approved wording.
- If a CBO wants to participate in the **Central Insurance Program (CIP)**, 4.5% of the total budget must be allocated to CIP (CBOs will NOT be required to submit proof of insurance) CIP covers Liability, Worker's Compensation, Disability and Paid Family Leave Coverage for budgeted staff only.
- **Accounting Costs:** Expenses for financial record-keeping, reporting, and analysis. This includes hiring Accountants and Bookkeepers, accounting software subscriptions, and related expenditures.
- **Allowance:** Must **not** be marked as invoiceable. The full amount reflected in the allowance are not funds Providers immediately have access to.
- **Audit Expense:** Expenses for financial review services, including fees for external auditors, internal audit teams, consulting, and related expenses. Audit Cost Allocation Form is **no longer required** to be submitted for budget approval.
- **Consultants:** Consultants may be corporations, nonprofit organizations, or individuals. A consultant hired on a health and human service contract is often a subject matter expert and does not perform or directly deliver a part of the prime contractor's programmatic contractual obligations. For each consultant listed on the budget, a copy of a DYCD Consultant Agreement Form along with the consultant's resume must be submitted.
  - **Consultant Agreement Modification Form** is required when a CBO is adjusting the amount to a consultant listed on an approved PO (Purchase Order).
- **Hourly Employees:** Hourly Rate cannot be below the City's minimum hourly wage of **\$16**. The *Personnel Services Allocation Form* must be uploaded to ensure budget approval.
- **Indirect Rate:** Must not exceed MOCS approved rate or 10% de minimis. Effective 7/1/19 the City of New York has adopted a Health and Human Services Cost Policies and Procedures Manual ("Cost Manual") to provide uniform cost rate guidance for health and human service contracts. The Cost Manual can be found at [nyc.gov/nrc](http://nyc.gov/nrc). **CBOs under the Fiscal Agent, YMS, cannot allocate Indirect Cost to their DYCD contracts without ICR Attestation. For Discretionary contracts, Providers are capped at a rate of 10%.**
- **Legal Costs:** Legal costs cover expenses for legal services vital to ensuring compliance, risk management, and protection of organizational interests. Funds cannot be used for litigation expenses, legal settlements, or legal judgements.
- **Operations & Support:** Consumable supplies, background checks, and facility safety inspections. The cost of waste and recycling removal services, costs for facilities and building maintenance. Other costs are recruitment materials such as flyers, newspaper, and online advertisements for Participants. Costs of General Liability, Property, and Other Insurance charged to a DYCD contract; costs of vehicle insurance associated with the DYCD contract.
- **Operations & Support: Client Stipends** may be included as a part of a training program, to assist a participant in acquiring the skills necessary to obtain employment and to subsequently retain employment. Providers must upload a breakdown and justification.
- **Operations & Support: Client Transportation** all participant-related travel expenses, e.g., bus trips and local travel, are to be budgeted under this category. Bus companies used for transporting participants must be insured.
- **Operations & Support: Equipment** computers, including software maintenance, service contracts, rental & licensing fees for office equipment, furniture, cameras, printers. etc., The CBO must list all items to be purchased in the "budget line-item" column. Approved *Vehicle Purchases* should be budgeted to the equipment line.
  - **WIOA Contracts: Equipment Purchases between \$250 to \$500 require a bid. Purchases \$5,000 and over require state approval.**
- **Operations & Support: Incentive Payments/Bonus** means money or a money equivalent or something with value used to incentivize program participation are for participants of the Program only and cannot be paid to staff or volunteers. Providers must upload a breakdown and justification.
- **Other:** Any allocation that cannot be placed in defined budget categories. A detailed explanation must be provided.

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- **OTPS Contracted Services: Subcontractors** may be corporations, nonprofit organizations, or individuals. A subcontractor agreement is required for every subcontractor listed. The City requires Subcontractors to be registered in PIP [www.nyc.gov/pip](http://www.nyc.gov/pip) but does not require PIP registration for Consultants or Vendors.
  - **Subcontractor Agreement Modification Form** is required when a CBO is adjusting amount to a subcontractor listed on the approved budget.
  - **Subcontractors with value above \$20,000, must:**
    1. be prequalified in PASSPort,
    2. upload and attach the Subcontract Agreement with a copy of the letter of confirmation from the Procurement Unit to the fiscal year budget.
- **Personnel Services: Fringe Benefits** amount must be listed if a CBO is allocating funds to salaries.
  - **Fringe Benefits** – minimum rate 8.25% (7.65% to cover FICA and .60% MTA tax) and maximum rate 35% of Salaries (may include Worker’s Compensation, Disability, Unemployment Insurance, Medical, Life & Pension Benefits)
  - **If a CBO is utilizing the services of the Fiscal Agent (YMS)**, who is responsible for CBOs accounting, the minimum Fringe Benefit Rate of 13.25% of salaries must be allocated.
  - **If a CBO is not allocating funds for Fringe Benefits**, a letter stating that the CBO will take the responsibility for paying Fringe Benefits must be included with the budget.
- **Professional Services:** Allocations for AmeriCorps or City Year must be budgeted to this category.
- **Rent:** Space costs include expenses associated with paying for space necessary for the operation of a Program.
  - CBO must submit a Space Cost Allocation (SCA) form that outlines how the cost was calculated based on square ft usage, floor plan, a copy of a current Lease/DOE Permit and SCA attestation. If a CBO is paying mortgage, they must submit a copy of the Mortgage Statement. CBOs can charge for building maintenance and must attach a breakdown of maintenance fees & complete a Space Rental Form.
- **Salaried Employees:** The Annual Salary must reflect the staff member’s total yearly earnings, not just the portion that’s allocated to the contract. The *Personnel Services Allocation Form* must be uploaded to ensure budget approval.
- **Transportation:** Transportation costs refer to costs incurred for local travel by the employees to conduct official business related to the DYCD contract.
- **Unallocated Funds:** Providers do not have access to these funds; therefore, it should **not** be marked invoiceable.
  - The only categories allowed under Unallocated Funds are: Central Insurance Program (CIP), Van Maintenance, Vehicle Purchase (pending approval), Fiscal Agent Services, Subcontractor Agreements (pending approval), Rent (pending Lease agreement), Consultant (pending agreement), Allowance Amendment Funds for migrated contracts.
  - **Fiscal Agent Fee Schedule: Effective 7/1/18** the Fiscal agent fee has changed. Separate fees must be allocated for each individual budget, see below.

Contract Dollar Value	Fiscal Agent Service Fees
\$2,500 - \$25,000	\$420
\$25,001 and over	3% (of each budget)

- **Utilities:** This category includes costs such as Telephone; Electric; Water/Sewer; Oil-Heating; Gas-Heating; Security Systems; Internet Connectivity; Mobile Phones; Bundled Communication.
- **Vendors:** A vendor hired on a health and human service contract provides non-programmatic services or goods.

PASSPort BUDGET CATEGORIES			
Accounting Costs	Indirect Costs	Other	Rent
Allowance	Legal Costs	OTPS Contracted Services	Salaried Employees
Analysis*	Milestone*	OTPS Contracted Services: Sub-Contractors	Scoping*
Audit Expense	Operations and Support	Personal Service Fringe Benefits	Study*
Build*	Operations & Support: Client Stipend	Personnel Service Salary*	Task Order*
Construction*	Operations & Support: Client	Phase*	Transportation
Consultants	Transportation	Professional Services	Unallocated Funds
Deliverable*	Operations & Support: Equipment	Program Income*	Utilities
Design*	Operations & Support: Incentive	Rate*	Vendors
Hourly Employees	Payments/Bonus	Remediation*	Work Order*
*CATEGORIES NOT UTILIZED BY DYCD			