



Dear Nonprofit Partner,

The City of New York continues to keep you apprised of updates on the Indirect Cost Rate (ICR) Funding Initiative. Completing the [Entryway Choice Form](#) is the first step to begin the process of claiming your indirect cost rate and additional funding. As a reminder, entryways will remain open until December 31, 2020.

UPCOMING JANUARY 31, 2020 DEADLINE

Providers have until January 31, 2020 to elect the Conditional ICR. When choosing the Conditional ICR, a provider makes a commitment to establish an ICR through a NICRA or Independent Accountant's Report by December 31, 2020. The Conditional ICR is retroactive to July 1, 2019 and applicable only through the FY20 fiscal year.

UPDATES

- **Budget Modification Technical Assistance.** After submitting an Entryway Choice Form and an organization's Delta Template, providers will need to create budget modifications in HHS Accelerator to properly allocate and align direct and indirect costs in each contract budget. The City Implementation Team (CIT) has created a [video](#) and [job aid](#) to support providers in the budget modification process. These tools are available on the [Indirect Implementation webpage](#).
- **Cost Manual.** In our December 16, 2019 communication, we shared that organizations submitting a rate through an Independent Accountant's Report must include a Schedule of ICR with their submission. We have updated the [Cost Manual](#) to reflect this policy. Please contact the Mayor's Office of Contract Services if you would like a red-line version of the Cost Manual that shows the updates from the prior version.

RESOURCES

- Support resources, including the Provider Checklist and Delta Template Instructions, can be found on the [Indirect Implementation webpage](#).
- More information about the Conditional ICR is available in the [Cost Manual](#), Section II.E and Section VII (Frequently Asked Questions).
- The CIT is available for questions at the Mayor's Office of Contract Services.

BACKGROUND ON INITIATIVE

In February 2019, the City of New York adopted the Cost Manual to standardize cost allocation practices for health and human service providers contracting with the City. The Fiscal Year 20 Adopted Budget established an indirect cost rate funding initiative based on the Cost Manual. The Mayor's Office of Management and Budget and Mayor's Office of Contract Services formed a City Implementation Team (CIT) to design the implementation and roll-out of the indirect initiative and established a Provider Work Group to advise them.

For more information on how to establish and claim your ICR and important timelines, please read the [Cost Manual](#).

**Sincerely,
The City Implementation Team**

