



DOING BUSINESS WITH DCYF FY 2013-2018

*A Guide to Fiscal Policies, Grant Agreements, &
More*

2nd Edition, May 2015

Introduction

The Department of Children, Youth and Their Families (DCYF) has revised its grant policy manual, *Doing Business with DCYF, A Guide to Fiscal Policies, Grant Agreements, & More*, to outline DCYF's expectations for grantees on the acceptance and use of grant funds. This guide provides detail on DCYF's grants management and fiscal monitoring processes. These guidelines are intended to create a framework so that grantees know what to expect from the department. Adherence to these procedures will contribute to our shared goal of improved outcomes for children, youth and their families. DCYF recommends that fiscal staff and relevant program staff read this guide, and that you refer to it first should you encounter any questions.

What's new in the second edition? There are several things I'd like to point out. First off, thanks to the voters of San Francisco, the Children's Fund has been extended for another 25 years with the passing of Prop C in 2014. As part of this new legislation DCYF will now fund on a five-year cycle. When we started with our current grants back in 2013 they were set to expire in 2016, but we plan to extend contracts through June 2018. DCYF will release its next RFP in time to begin a new five-year grant cycle in July 2018.

Second, we have listened closely to our grantees and have made some policy changes that we hope will give more flexibility in the use of DCYF funds. For example, we have added more allowable expenses that can be billed against our grants, and streamlined the budget revision process in an all-electronic system.

Finally, we have put in to place some new restrictions on DCYF funds, and have set new a policy regarding the use of stipends. More details on these and other updates are included in the pages to follow.

Please note that DCYF reserves the right to change its policies at any time in the grant cycle. Notification of changes will be communicated via email or through updates to this handbook.

Whether you are a long-time grantee of DCYF, or if this is your first grant cycle with us, we hope you find this guide to be a useful tool. On behalf of the entire staff, we look forward to working with you to improve the lives of San Francisco's youth.



Maria Su, Psy. D.
Director

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SECTION I: THE DCYF GRANT AGREEMENT

Congratulations - you have been awarded a grant from DCYF! Whether this is your first award or your 100th, you will enter into negotiations with DCYF and together we will create a Grant Agreement that defines the relationship between you and the City and County of San Francisco. The grant agreement is a complex document, but it is important you take the time to digest it because your organization will be responsible for living up to the responsibilities it outlines.

THE DCYF GRANT AGREEMENT, IN PLAIN ENGLISH

As DCYF is a department of the City and County of San Francisco, our grants are governed through a contract that has been developed for use throughout the city. We call this contract a **grant agreement**, which distinguishes it from other kinds of contracts the City may enter into. A grant agreement is used exclusively for nonprofits entering into compacts allowing the City to support services and programs with public benefit. Many departments coordinate on the language contained in the grant agreement, including the City Attorney's Office, Office of Contract Administration, Controller's Office, Risk Management, and the Contract Management Division of the City Administrator's Office.

The grant agreement is divided into 17 sections (called Articles), plus a set of appendices. Below are some of the key sections that you should pay particularly close attention to.

The contract begins with a few paragraphs of general language that give your organization's name, the effective date of the grant agreement, and a brief description of the program the grant will support (this is called the **Grant Plan**). Make sure the Grant Plan reflects the program description found in your DCYF workplan.

Article 3 (Term) is one of the most important sections as it defines the time frame of the grant. In most cases, our current RFP grant agreements begin on July 1, 2013, and end three years later on June 30, 2016. Some strategies, such as VPI, may see slightly different dates, or the original term may have been modified in a subsequent grant modification (more on that later). Regardless, the cardinal rule is that DCYF funds can only be used to reimburse for expenses incurred during the grant term.

Article 4 (Implementation of Grant Plan) outlines some key responsibilities of being a DCYF grantee. An important one is your organization's participation in our formal evaluation activities, such as program observations, surveys, and fiscal visits (Article 6 also contains language about making your financial documents available for City review, a key component of fiscal monitoring). It also states that DCYF must be listed as a supporter of your program in any publications.

Article 5 (Use and Disbursement of Grant Funds) is probably the most important section. It states the amount of funding you will be receiving under your grant agreement. You will notice that Section 5.1 breaks down the total funding into two parts: (1) the total base amount of your grant over the entire term listed in Article 3 and (2) a contingency of 10% of the base award. The contingency allows DCYF to incorporate a small amount of additional funds into annual workplans without requiring a formal grant modification. The maximum amount possible to disburse under the grant agreement is the sum of the base award and the contingency. However,

the contingency can only be added to grant agreements by DCYF and cannot be requested by grantees. Other provisions of Article 5 are the requirement to submit monthly invoices for payment, and the conditions for advances on the grant. (more on advances is Section VII).

Article 8 (Representations and Warranties) contains a clause regarding conflicts of interest. Section 8.4 states that our grantees cannot employ or have on their board two or more members of the same family without DCYF giving written consent. This includes spouses, domestic partners, siblings, children and parents. If you believe your organization is in this situation, please contact your Program Specialist immediately to discuss it.

Article 10 (Insurance) provides specific guidance about the types of coverage required by the City. See Section VIII below for more information on these insurance requirements.

Article 13 (Assignments and Subcontracting) states that if you require the use of a subcontractor to fulfill the activities outlined in the Grant Plan, then you must get written permission from DCYF. You must also include them in Appendix E of the grant agreement. Note that subcontractors are held to all the same contractual obligations as the grantee.

Article 16 (Compliance) contains a great deal of information on practices required for our grantees to remain compliant with City standards. Please review this section carefully, as it contains important guidelines on issues such as nondiscrimination, the Americans with Disabilities Act, minimum compensation, hiring practices, and political activity.

OTHER DCYF CONTRACTS

Over the course of your grant with DCYF you may encounter other kinds of contracts. The most common is a **Grant Agreement Modification**, often referred to as a **mod**. This brief contract is used to make formal changes to the existing grant agreement. There are two primary situations that require a mod. The first is if DCYF chooses to change the grant term, in most cases adding more time to the grant period. For example, most grant agreements will receive a mod to extend their terms from 2016 to 2018. The second is if DCYF chooses to add more funds to the grant.

A less common contract is a **Grant Assignment**. This contract is used when an existing Grant Agreement needs to be moved from our original grantee to another entity. This is mostly seen when a grantee merges with another nonprofit, or if the program supported with our grant moves from one organization to another. More information on this process is contained in Section XIII.

If you believe you need to enter into a mod or a grant assignment, please contact your Program Specialist.

SECTION II: THE GRANT APPROVAL PROCESS

DCYF takes great care to make sure that our grant agreements are complete, accurate, and compliant with all City regulations. All DCYF contracts go through a rigorous approval process that involves many different individuals and departments. This process can sometimes take longer than one would hope, but the end result is a grant agreement that all parties have agreed on. Once a grant agreement is in place there may be other events for which DCYF needs to create other documents for approval, such as a mod or annual workplan. This section will describe the process for approving all of these core documents.

GRANT AGREEMENT APPROVAL

Once a Request for Proposals (RFP) has been completed and an award decision made, DCYF will begin the grant agreement process. This seven step process is outlined below.



Step 1: Award Letter: Grantees will receive a letter from the DCYF’s executive director that will indicate the amount of the award, the grant term and the program being funded. The letter will also include instructions on how to navigate to the online Contract Management System (CMS) to complete a workplan and budget.

Step 2: Workplan Negotiation: Grantees will receive notice from DCYF when workplans are open for review in CMS. Grantees will then enter their agency, program, and budget data into the system. Once the workplan is submitted, your executive director must sign off on it electronically in CMS before your Program Specialist can review it. 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. The workplan itself then becomes part of the formal grant agreement (as Appendix B).

Step 3: Grant Agreement Created: Once the workplan is approved DCYF’s Contracts & Compliance Team will generate a grant agreement and e-mail it to the agency's executive director for review and signature. At this time you may also receive a request for insurance certificates, vendor certification, or other required documents. Please respond to these requests promptly, as this can often delay the approval process.

Step 4: Grant Agreement Signed: The executive director or designated signatory will sign three original copies of the grant agreement (in blue ink) and return them to the Contracts & Compliance Team. DCYF only needs the signed signature pages, as opposed to the entire grant agreement. A full grant agreement will be returned to you at the end of the approval process. Note that DCYF cannot accept scans or photocopies of the signature pages.

Step 5: City Attorney Signature: Upon receipt of the signature pages, the grant agreement and required attachments are sent to the City Attorney for review, approval and signature.

Step 6: Fiscal Processing: Once the City Attorney has signed the grant agreement, DCYF's Fiscal Office will work with the Controller's Office to encumber the grant funds. The Controller must certify all funds before we can complete the approval process. Once Controller approval is received, the DCYF Fiscal Office assigns each grant agreement a unique code called a DPCH number, which is entered in CMS and written at the bottom of the document. Once a DPCH is assigned, you will receive notice indicating that the approval process is complete, and that invoicing can begin.

Step 7: Grant Agreement Returned: The Contracts & Compliance Team will mail a full executed copy of the grant agreement to for your records.

The grant agreement approval process takes approximately **four to six weeks** to complete. The process can be delayed by several things including delayed submission of your workplan or expiration of insurance. DCYF strives to complete this process as quickly as possible. However, as some of the approval steps are outside of our control, there is often little we can do to make it go faster. If you feel there has been an extraordinary delay in approving your grant agreement, please contact your Program Specialist.

GRANT AGREEMENT MODIFICATION APPROVAL:

Since grant agreement modifications (mods) are contracts that require all the same signatures as the original grant agreement, the approval process for mods is the same as for grant agreements. An award letter or other formal notification will be sent, a workplan will be negotiated and a mod will be created and signed. A new DPCH number is generally not assigned with a mod.

WORKPLAN-ONLY APPROVAL:

Most DCYF grants are awarded for a multi-year grant cycle with the grant agreement covering the entire period. After the first year, each subsequent year requires only the review and approval of a new workplan. The workplan-only approval process is much more streamlined, as it does not generate a formal contract that requires signatures.



Step 1: Award Letter: DCYF will send a formal notice at the beginning of each fiscal year with the award amount for that period and a date for when the workplan can be edited in CMS.

Step 2: Workplan Negotiation: As with the grant agreement approval process, your first action is to complete the workplan in CMS. Since it is likely that much of the data will be pre-populated using the prior year's entry, grantees will need to make sure that they review all sections to make sure they reflect expectations for the current year. Once the workplan is submitted and signed by the agency's executive director, your DCYF Program Specialist will review it for accuracy. You may be asked to make revisions at that time.

Step 3: Fiscal Processing: Once the Program Specialist approves the workplan, the Contracts & Compliance Team will work with DCYF's Fiscal Office to assign funds and create a new DPCH number. This information will be entered into the new workplan. Since this process is done electronically, you will not receive any returned paperwork. You will receive notice once the process is complete.

SECTION III: USE OF GRANT FUNDS

A basic tenant of DCYF funding is that grants are made on a *reimbursement* basis. This term means that grantees are expected to file invoices detailing the prior month's expenses as related to the funded program. After review of these invoices DCYF will issue payment to the agency.

The implication of reimbursement-based funding is that grantees must maintain a level of cash reserves adequate to sustain operations until funds are received. DCYF expects grantees to hold at least one month of expenses in reserve, and strongly recommends a minimum of three to six months as a best practice. This allows your programs to continue smoothly in the event of a delay in processing your grant agreement or invoice. DCYF cannot release funds until all approvals are received, regardless of a potential cash shortfall for a grantee. Careful cash flow management will allow agencies to continue making payroll and paying the bills until reimbursements can begin.

In addition, grant funds are provided for specific strategies (e.g., Comprehensive K-8 Community-based Afterschool, Specialized Teen). While an agency may have multiple DCYF grants across several strategies, the department does not allow funds to transfer from one grant to another. Grantees are allowed to reallocate funds within a single grant using the Budget Revision process, which will be covered in Section VI.

SECTION IV: CONTRACT MANAGEMENT SYSTEM (CMS)

The Contract Management System (CMS) is a web-based service used by DCYF for a variety of functions including: workplans, annual budgets, monthly invoicing, participant record keeping, program achievements and participant activity data collection. The CMS is managed by an external, independent contracted vendor called CitySpan. DCYF offers regular training on the CMS and strongly encourages grantees to access these workshops if they are new to using the CMS or just want to refresh their skills. For more information about CMS training please contact your Program Specialist.

CONTRACT MANAGEMENT SYSTEM SECTIONS AND RESPONSIBLE PARTIES:

The Grantee's executive director is responsible for the agency's oversight of the program and therefore should be aware of all sections of the CMS including each program's annual workplan and budget. In addition, programs are required to use the CMS to report the number of youth to be served, the activities provided, and how funds are used. The CMS has many sections and functions, the following list details the more important sections of the system.

USER ACCOUNTS:

Individual User Accounts are required for each of the grantee's staff who will access the CMS. Grantees that are new to DCYF funding will be provided with a main user name and password to access the system. This main User Account will be provided to the Agency's executive director who initially will be the ONLY person with the ability to add, change or delete User Accounts. The executive director will need to setup User Accounts with the appropriate access privileges for each member of their staff that will be using the CMS. At a minimum all programs should have User Accounts for the executive director, primary fiscal contact and main program manager. When setting up each account the executive director will be able to give each user access to specific parts of the system including workplans, youth information, attendance, etc. Once accounts are set up the grantee will continue to have access to the system, using the same accounts, if they are funded in future grant cycles.

Since the CMS contains the personal information of participants as well as data on the services they have accessed at the program, it is crucially important for grantees to ensure that access to this information is only provided to active program staff. The executive director or other staff who have the credentials to add, change or delete User Accounts should periodically check the User Accounts for their program(s) to ensure that the list is current and reflects any staff turnover. Grantees are responsible for any violation of confidentiality that may result from former staff continuing to access the CMS. In addition, when an organization changes executive directors, the new executive director MUST request a new login from DCYF by contacting their Program Specialist.

WORKPLANS:

Programs are required to complete a new workplan on the CMS each fiscal year. In addition, Grantees may also need to update their workplan if their Grant Agreement is modified or if they are approved for a Budget Revision. The CMS workplan contains the following five sections:

1. Contact and Program Information: Program staff should complete this page with the executive director checking for accuracy and to ensure the correct staff are listed as contacts. This page also details any specific agency and/or program expectations attached to the grant.

3. Program Funding: This page contains the budget for DCYF funds and should be completed by the agency's fiscal staff in consultation with program staff and the executive director. In addition to the budget for the grant this page also asks for the total agency budget, the overall program budget, detail on expenses and in-kind assets.
4. Service Projections: Program staff should complete this page as it asks for specific information about program activities, associated service categories and projected number of participants. There is also a direct connection between the service categories listed on this page and the participant activities the grantee will set up to track services. Grantees should make sure that all program staff, especially those entering data in the CMS, are aware of what is entered in the workplan. Grantees should also know that for many strategies the number of participants expected to be served will be prepopulated in the workplan by DCYF. Grantees interested in changing these numbers should contact their Program Specialist.
5. Performance Measures: Program staff should complete this page since they are only required to check a box indicating that have read and understand the Performance Measures attached to the grant. The executive director should also review this page so they fully understand how performance will be calculated and measured. After the fiscal year ends grantees will receive a year-end report that shows how they performed on the measures listed on this page. In addition, all year-end reports will be posted on the DCYF website at www.dcyf.org.
6. Other City Funds: Fiscal staff should complete this page with information on ALL city funding the Grantee receives.

INVOICES:

Invoices contain a combination of fiscal, programmatic and performance information. There are three primary elements that need to be completed in the CMS to invoice: expenses, program narratives and data entry of program participants and activities. For more information about invoices see Section IX of this guide.

DATA ENTRY OF PARTICIPANTS AND ACTIVITIES:

DCYF requires programs to consistently and regularly enter data about their participants and activities. DCYF uses the information entered by programs to both verify that services are occurring and to gauge performance. In addition, DCYF reserves the right to delay the processing of invoices if a grantee has not entered participant and activity data for more than 2 months (if program is not on a scheduled break).

Program staff are required to ensure that all participants are enrolled in the CMS and that their information is accurate. Programs should also ensure that participants no longer attending their program have been archived. Program staff are also required to set up group and individual activities that correlate to the Performance Measures and Services & Projections of the Workplan and to ensure that attendance is recorded in a timely manner. DCYF reserves the right to review sign-in sheets and other documentation to verify that all attendance reported is accurate.

REPORTS:

The CMS contains several reports that can help programs gauge program usage, performance and other useful information. To access reports in the CMS, Grantees should click on the Reports Menu on the left side of the screen. One of the most useful reports in the CMS is the Progress Report located in the monthly invoice and also accessible through the Reports Menu. This report is the best way for grantees to gauge their performance against the measures listed in their workplan. DCYF strongly recommends that grantees review their Progress Report(s) regularly. For more information about how to use specific reports, please contact your Program Specialist.

CMS NOTIFICATIONS:

This new feature has recently been introduced for the 2013-18 grant cycle as a way to help Grantees stay up to date on a range of CMS responsibilities. The CMS will now generate reminders and notifications that will appear when Grantees login and can be accessed through the Messages & Alerts Menu along the left side of each program's page. The CMS will generate several automatic alerts including: reminders for overdue workplans, late invoices and soon to be expired and expired insurance certificates. The system will also notify Grantees when documents are uploaded to their account. Program Officers can further use the system to send messages to Grantees. Any urgent messages, reminders or notifications will appear when the Grantee logs in and will also change the color of the Messages & Alerts Menu when messages are present.

More information on CMS is available on the DCYF Grantee Support page at www.dcyf.org.

SECTION V: BUDGET

This section details the various categories that appear in the workplan budget, as well as examples of allowable and disallowable expenses. If you have any questions about a specific expense, please contact your Program Specialist before filing the workplan.

ALLOWABLE/DISALLOWABLE EXPENSES & ACCEPTABLE DOCUMENTATION:

Use the following charts to determine allowable and disallowable expenses as well as acceptable documentation for all workplan budget categories. The list of acceptable documentation can be used to help grantees ensure that all expenses are appropriately documented throughout the term of the grant. Maintaining acceptable documentation for each expense will increase the likelihood of a smooth Fiscal & Compliance Monitoring Visit.

Disallowable Expenses For ALL Workplan Budget Categories:
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<i>The following items are disallowable across all workplan budget categories:</i>

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| <ul style="list-style-type: none"> • Expenses that merely benefit children and youth incidentally (e.g., subscriptions, travel, etc.) • Personal or agency-related costs or expenses related to meals, catering, transportation, lodging, fundraising or educational activities • Religious workshops, instruction or proselytization • Political activities – See Section 16.11 of grant agreement for more information • Any excluded activities described in the San Francisco Charter, Section 16.108 (g) |
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Strategy Specific Cost Restrictions:

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| <ul style="list-style-type: none"> • <u>OST3: Comprehensive K-8 Summer Learning Programs</u>: if program qualifies for a USDA-subsidized meal program (breakfast, lunch or snack) it cannot spend more than \$250 per week for food items that are provided through the qualified program. This restriction applies whether or not the agency ultimately participates in the subsidized program. For example, an agency that qualifies to receive lunches and chooses to be served by the San Francisco Unified School District or a sponsor other than DCYF cannot spend more than \$250 per week on lunch items. |
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Budget Category: PERSONNEL (Adult and Youth Staff)

<i>The PERSONNEL category is used to list all supervisory, direct staff and support/clerical staff that work directly on the funded program.</i>

Category Instructions:

All salaries must be provided as an hourly rate (not total annual or monthly salary); DCYF reviews this information to ensure grantees are in compliance with San Francisco minimum wage laws.
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Allowable Expenses:	Disallowable Expenses:
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|--|--|
| <ul style="list-style-type: none"> • Salaries for direct program staff providing services to children • Salaries for managers who supervise direct program staff • Salaries for executive and clerical staff, limited to only the time allocated to program • Salaries for youth workers | <ul style="list-style-type: none"> • Stipends for adult or youth workers • Administrative staff not providing direct program service or supervision of program staff • Bonuses paid to staff • Payments to staff that are on leave • Severance payments to former staff |
|--|--|

Acceptable Documentation For This Budget Category:
Payroll records including internal records and/or those from a payroll service. All payroll records should have associated timesheets that match hours and salary paid. Timesheets are required for all staff that are paid with DCYF funds, <u>including all exempt or salaried staff</u> . If a staff member's hours are shared between multiple programs, timesheets should reflect this.

Budget Category: FRINGE BENEFITS	
<i>The FRINGE BENEFITS category is used to list expenses directly related to employment.</i>	
Category Instructions:	
Each expense must be described in a separate line item. Provide the mathematics used to calculate the item, and if necessary explain if the benefit is available to all staff or only those who qualify.	
Allowable Expenses:	Disallowable Expenses:
<ul style="list-style-type: none"> • FICA and SUI • Workers Compensation • Health benefits • Retirement benefits • Payout for unused staff vacation or compensation time 	<ul style="list-style-type: none"> • Vacation, sick time or over time (compensation time) accruals for prior fiscal year • Taxes or other amounts withheld from wages or salaries which have not actually been paid by Grantee during the term of the Grant Agreement or which relate to periods before or after the term of the Grant Agreement
Acceptable Documentation For This Budget Category:	
Payroll records including internal records and/or those from a payroll service. Invoices from health insurance provider, statement from retirement benefit provider, as well as proof of payment.	

Budget Category: PROFESSIONAL	
<i>The PROFESSIONAL category is used to list professionals who provide services to the agency or program that are highly technical or specialized. Generally this work could not be performed by agency staff.</i>	
Category Instructions:	
Detailed explanations are required for each cost, including information on services to be provided.	
Allowable Expenses:	Disallowable Expenses:
<ul style="list-style-type: none"> • Highly technical or specialized services provided to participants (e.g.: clinical supervisors, trainers, computer programmers, etc.) • Evaluators: DCYF allows up to 10% of the grant amount for evaluation. The evaluation's scope of work must be approved <u>in advance</u> by DCYF. In addition the funds used for evaluation may only be spent during the contract period. 	<ul style="list-style-type: none"> • If evaluation expense is part of administrative cost, then it is disallowable as a program cost
Acceptable Documentation For This Budget Category:	
Invoices from professionals providing services to your program and a signed contract containing a clear scope of work and rate of compensation.	

Budget Category: SUBCONTRACTORS	
<i>The SUBCONTRACTORS category is used to list services provided to program participants by non-staff individuals, another nonprofit organization or for-profit company. Subcontractors differ from Professionals because they provide a service directly in fulfillment of the activities outlined in the Grant Plan and perform work that could be done by agency staff. Subcontractors are held to the same contractual obligations as grantees.</i>	
Category Instructions:	
<i>Each subcontractor must submit a budget. Subcontractors may use some of the funds for administrative costs however these funds must be added to the overall administrative cost of the grant and <u>may not exceed 15%</u> of the total grant amount.</i>	
Allowable Expenses:	Disallowable Expenses:
<ul style="list-style-type: none"> • Services provided to participants or staff by non-staff individuals, another nonprofit organization or for-profit company 	<ul style="list-style-type: none"> • Grantees may use subcontractors to perform services but a subcontractor may not subcontract out this work
Acceptable Documentation For This Budget Category:	
Invoices from subcontracting agency providing services to program and a signed contract or Memorandum of Understanding (MOU) containing a clear scope of work and rate of compensation.	

Budget Category: PROGRAM MATERIALS AND SUPPLIES	
<i>The PROGRAM MATERIALS AND SUPPLIES category is used to list supplies and materials used in the operation of the program. This category includes both program and office supplies.</i>	
Category Instructions:	
Detailed explanations are required for each individual expense category item. Grantees may be asked to explain how costs are related to program service and how often costs will occur (monthly, once a year, etc.).	
Allowable Expenses:	Disallowable Expenses:
<ul style="list-style-type: none"> • Program supplies that are consistent with the type of services provided by the program (e.g.: art supplies, baseballs, food for cooking classes, etc.) • Office supplies used by staff in the operation of program 	<ul style="list-style-type: none"> • Supplies not used by youth or in direct operation of the funded program • Durable goods for the program or agency (these are allowed under the Other Program Expenses category)
Acceptable Documentation For This Budget Category:	
Invoices/receipts for all expenses and proof of payment.	

Budget Category: OTHER PROGRAM EXPENSES	
<i>The OTHER PROGRAM EXPENSES category is used to list all other expenses such as rent, utilities, staff training, staff transportation, special events, field trips, food, etc. These expenses must be directly incurred for operation of the funded program.</i>	
Category Instructions:	
Detailed explanations are required for each individual expense category item. Grantees may be asked to explain how costs are related to program service and how often costs will occur (monthly, once a year, etc.).	

Budget Category: OTHER PROGRAM EXPENSES (continued)	
Allowable Expenses:	Disallowable Expenses:
<u>Occupancy & Utilities:</u> <ul style="list-style-type: none"> • Rent and utilities for program space • Cost recovery in lieu of rent for programs housed in property owned by grantee (only with written approval from DCYF) 	<u>Occupancy & Utilities</u> <ul style="list-style-type: none"> • Rent and utilities for administrative staff space (these are allowed under the Administrative category) • Security deposits • Costs for loans against owned property • Acquisition of real property (excluding leases for a 10-year term or less) • Cost recovery greater than \$25 per square foot or 10% of the total award amount.
<u>Professional Development:</u> <ul style="list-style-type: none"> • Staff Training: can be used to pay registration or attendance fees for staff to attend workshops aimed to build capacity for the program. 	<u>Professional Development:</u> <ul style="list-style-type: none"> • Staff Training: Out of town conference transportation, lodging, food or per diem for staff
<u>Transportation:</u> <ul style="list-style-type: none"> • Staff Transportation: local travel, gas reimbursement, parking fees, bridge tolls • Major Transportation Expenses With Prior Approval: advance approval is required for major transportation expenses. Grantees should always use the most efficient, direct and economical form of transportation possible. • Purchase of vehicle for direct use by the funded program with prior approval of DCYF • Standard maintenance of program vehicle 	<u>Transportation:</u> <ul style="list-style-type: none"> • Transportation: Out of town travel to conferences or trainings for staff • Parking/moving violations, tickets and penalties for infractions of any laws, towing charges • Cost of purchasing a vehicle <u>without prior approval</u>
<u>Events & Field Trips:</u> <ul style="list-style-type: none"> • Special Events: holiday parties, parents meetings, year-end celebrations • Rental of vehicles for field trips • Airfare for youth transportation to conferences, trainings, etc. • Field Trips: admission to amusement parks, movies, overnight camp, etc. 	<u>Events & Field Trips:</u> <ul style="list-style-type: none"> • Staff recognitions and or celebrations • Events attended by staff only
<u>Food:</u> <ul style="list-style-type: none"> • Snack and non-snack food: for holiday parties, parent meetings, year-end celebrations and snack/meals for children. DCYF expects Grantees to purchase food at the most reasonable and economical prices. 	<u>Food:</u> <ul style="list-style-type: none"> • Food for staff: specifically for staff events such as meetings or celebrations. • Tips & gratuity for food purchases • Staff meals at restaurants • Alcoholic beverages

Budget Category: OTHER PROGRAM EXPENSES (continued)	
Allowable Expenses:	Disallowable Expenses:
<u>Stipends & Participant Incentives:</u> <ul style="list-style-type: none"> • Stipends for youth up to \$599 • Fees paid to AmeriCorps staff • Participant Incentives: rewards to youth for completing a program or activity, such as gift cards 	<u>Stipends & Participant Incentives:</u> <ul style="list-style-type: none"> • Stipends of \$600 or greater. Participants receiving this amount should be paid as hourly staff. DCYF may make an exception to this policy in cases of program participants engaged in purely educational or training activities. Contact your Program Specialist to request a waiver of this policy. • Stipends or incentives for adults older than 24
<u>Insurance:</u> <ul style="list-style-type: none"> • General liability, automobile, workers compensation, and fidelity insurance, as required by DCYF. Costs should be consistent with the agency's cost allocation plan. 	
<u>Equipment:</u> <ul style="list-style-type: none"> • Durable good purchases such as computers, printers, furniture, kitchen equipment to be used by or in direct benefit of program participants • Office equipment rental 	<u>Equipment:</u> <ul style="list-style-type: none"> • Items not for primary and direct use by youth
<u>Maintenance:</u> <ul style="list-style-type: none"> • Building maintenance • Office equipment maintenance • Vehicle maintenance and repairs • Janitorial service 	<u>Maintenance:</u> <ul style="list-style-type: none"> • Capital expenses such as major building renovations • Depreciation of building and equipment • Property taxes
<u>Communications:</u> <ul style="list-style-type: none"> • Postage, telephone, cell phone, internet cost for youth computers • Outreach materials (design and printing) 	
<u>Fees:</u> <ul style="list-style-type: none"> • Bank charges, such as monthly cost for having a checking account if applicable. 	<u>Fees:</u> <ul style="list-style-type: none"> • Bank fees for administration cost, late/overdraft fees • Credit cards and utilities penalties, late charges or interest on any late payments
<u>Human Resources Costs:</u> <ul style="list-style-type: none"> • Job posting and staff finger printing 	
Acceptable Documentation For This Budget Category:	
<ul style="list-style-type: none"> • <u>Rent:</u> Copy of lease and or mortgage documents should be available as back up documentation. Monthly invoices from landlord or lending institution which clearly states address, rate and month of invoice. • <u>Cost Recovery in Lieu of Rent:</u> A plan must be provided to DCYF <u>prior to submission of the workplan</u> indicating the amount allocated to the program (expressed in dollars per square foot) and the rationale for setting this rate. DCYF requires agencies request cost recovery to complete an informational worksheet available from your Program Specialist. The information 	

provided on the worksheet will aid in setting the appropriate rate for cost recovery. DCYF will not approve cost recovery above \$25 per square foot or 10% of the total grant amount.

- **Stipends:** Agencies offering stipends are required to have a written policy that governs the requirements, processes and limitations associated with stipends. Stipend policies should address the following:
 - 1) **Requirements for youth to receive a stipend:** what are the expectations, tasks or duties to be completed or amount of participation required? What documentation is given to youth to ensure that they are aware of these policies?
 - 2) **Amount of stipend**
 - 3) **Process for payment:** How is participation documented (e.g. sign in sheets)? How and when are checks generated and how is payment given to participants?
 - 4) **Documentation:** How are records maintained for youth receiving a stipend? What documentation do you keep on file (e.g. tax information)?
- **Utilities:** Bill or invoice from PG&E, SF PUC, Recology, maintenance company or individual providing maintenance.
- **Staff Training:** Bill or invoice from company providing training. Statement should include name of attending staff, cost per staff and total payment.
- **Staff Transportation:** mileage log with amount paid per mile and total reimbursement. Receipts and/or signed documentation for staff who receive Clipper Cards, BART tickets or MUNI tokens.
- **Special Events:** All costs for a special event should be dated as to coincide with the special event. All invoices and or receipts where possible should state the event and or the date of the event (E.g.: Cost of rental for tables and chairs, a jumpy, catered food, etc.). A sign-in sheet showing attendees or a flyer for the event is also required.
- **Field Trips:** documentation should include sign in sheet for all who attended. If field trip expenses included entrance tickets purchased prior to event, copies of each ticket is required. For tickets purchased on line or at the venue, the sign in sheet for each student/staff who attended is mandatory.
- **Snack and Non-Snack Food:** Receipts for food should include specific items purchased, quantity and cost per item. If vendor does not use or have machine generated receipts, a piece of paper with a short description of what was purchased, cost and date will be accepted. If Grantee purchases food items for both snack and non-snack activities, receipts should have a break-down of the items associated with each event. Furthermore, back up documentation should include sign in sheets for those who attend a special event, or agenda or program flyer for the event.
- **Payroll Cost:** invoice from payroll service or detailed payroll summary generated by agency's internal finance software.
- **Insurance:** invoice from insurance company/broker
- **Equipment:** invoice or receipts with detail on items purchased, cost, etc.
- **Maintenance:** invoice/statement from maintenance company and or receipts for cleaning supplies. Receipts for vehicle repairs that specify the vehicle , what was repaired and cost. Receipts showing repair to office equipment such as copiers, computers, etc.
- **Communications:** bills from phone service providers which show the phone numbers covered. Receipts for postage purchases or bill from mail service. Bills from internet providers showing phone number or location of internet services. Receipts for printing of program materials and copy of what was printed should be attached.
- **Fees:** bank statement showing fees associated with the agency's account.
- **Human Resource Cost:** bills or receipts for cost of fingerprinting. Receipts for job posting showing the number of job postings (attach job announcement if possible).

Budget Category: ADMINISTRATIVE	
<i>The ADMINISTRATIVE category is used to list items such as cost of audit, insurance, bookkeeper and/or accounting services, the executive director or other administrative staff salaries.</i>	
Category Instructions:	
Detailed explanations are required for each cost. Each expense must be described in a separate line item. Grantees may not exceed a total of 15% of total budget for administrative cost. If subcontractors have administrative costs in their budgets, the allowable 15% must include those amounts as well.	
Fiscal Sponsor (Fiscal Agent): Organizations acting as a fiscal sponsor for a program may use up to a maximum of 10% of the grant for their administrative cost.	
Allowable Expenses:	Disallowable Expenses:
<ul style="list-style-type: none"> • Audit expense • Salary for executive director (for time not spent directly on program) • Salary for finance director, bookkeeper, controller or other fiscal staff • Fees for contract administrative personnel (bookkeeper, accountant, etc.) • Rent, utilities, payroll processing and other HR expenses for administrative activity 	
<ul style="list-style-type: none"> • Fiscal sponsor fees 	<ul style="list-style-type: none"> • Cost of a fiscal agent may not exceed 10% of budget
Acceptable Documentation For This Budget Category:	
<ul style="list-style-type: none"> • <u>Audit</u>: bill from audit firm or copy of audit • <u>Bookkeeping and or Controller service</u>: invoice for service to include month of service, hours, etc. A copy of contract with bookkeeper (if independent contractor) should be available. • <u>Fiscal Sponsor/Fiscal Agent</u>: invoice for services. A copy of contract between sponsor/agency and program should be available. • <u>Rent, utilities, payroll, etc.</u>: see notes above. 	

FURTHER DOCUMENTATION:

All invoices, bills, statements, receipts that are paid should have a check request form, copy of check/ check number and bank statement that shows when the check cleared. DCYF reserves the right to request back up documentation at any time for any reason outside of the formal Fiscal and Compliance Monitoring visit.

SECTION VI: BUDGET REVISION REQUESTS

Grantees may need to modify their budget during the fiscal year to react to program needs in real time. Budget revisions occur when an agency must reallocate funds from one budget category to another. For example, an agency may realize that due to an unfilled staff position there are surplus funds in the Personnel budget category, and that those funds could be transferred to Program Materials and Supplies to purchase needed items. The overall intent of a Budget Revision is to allow agencies the flexibility to adjust grant budgets for current program needs. Please note that DCYF receives 80-100 budget revision requests per year, so processing takes on average one to two weeks.

BUDGET REVISION TYPES:

DCYF allows two types of budget revisions:

- 1) Move unspent funds from one budget category to another. This type of budget revision involves the formal process outlined below.
- 2) Move funds within a budget category (i.e., from Adult Staff to Youth Staff, but still within the Personnel budget line). This revision is less formal, and can be handled through a conversation with your Program Specialist.

BUDGET REVISION DEADLINES:

DCYF allows non-summer grantees to file two budget revision requests per fiscal year, per grant. Summer grantees are allowed one budget revision per year, per grant, due to the shortened term of these awards. Any budget revision request submitted later than the following deadlines will not be approved.

- 1) December 31st for the first revision request
- 2) March 31st for the second and final revision request
- 3) Summer Grantees Only: July 1st

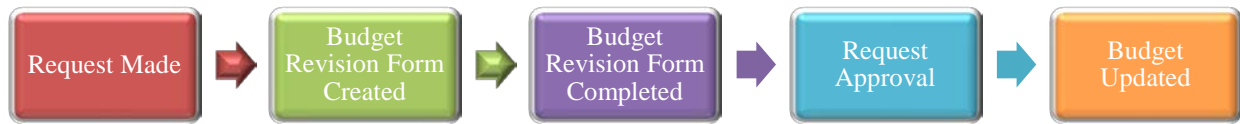
Budget revision requests for non-summer grantees made after March 31st will not be honored. DCYF recommends that agencies regularly review their grant budgets to make sure that funds are allocated properly.

MORE INFORMATION ABOUT BUDGET REVISIONS:

- Budget revisions can only be retroactive one month prior to the submission of the revision.
- Grantees must be up to date on invoicing in order for the request to be reviewed. (e.g., to submit a request in December, the November invoice must be submitted and paid.
- Grantees can submit a budget revision request that includes reasonable program related costs (line items) that were not included in the original approved budget.
- Budget revision requests can be made before the deadlines listed above. Grantees can request a budget revision any time before March 31st for non-summer grantees and before July 1st for summer grantees.
- **DCYF reserves the right not to approve any budget revision request.**

STEP BY STEP GUIDE TO BUDGET REVISION REQUESTS:

DCYF utilizes a paperless process to record and approve budget revisions. Once begun, DCYF will not be able to approve invoices until the process is complete and a new budget finalized in CMS.



Step 1: Request Made: Grantee requests a budget revision from their Program Specialist. This can be done by e-mail or phone, and will generally involve a brief conversation about program needs.

Step 2: Budget Revision Form Created: The Program Specialist will prepare a Budget Revision Form and e-mail it to the Grantee.

Step 3: Budget Revision Form Completed: The agency completes the Budget Revision Form, providing specific detail on the budget categories that will be affected and the program priorities that will be addressed by the changes. The agency's executive director must approve all requests. Once this approval is recorded on the form, it is e-mailed back to the Program Specialist.

Step 4: Request Approval: The Program Specialist will review the Budget Revision Form for clarity, specificity, and accuracy. The Specialist will then forward the form to the Contracts & Compliance Team for final approval. At either point DCYF may request more information from the grantee or refuse the request outright. Once approved, the grantee will receive official notice via e-mail from Contracts & Compliance, including a fully executed Budget Revision Form for its records.

Step 5: Budget Updated: DCYF will create a new budget version in CMS. The grantee is responsible for entering the new budget information into the system prior to submitting its next invoice. **This must match the approved budget as reflected in the Budget Revision Form.**

Once the budget revision approval process is completed, the Program Specialist will be able to process invoices for reimbursement.

DCYF BUDGET REVISION FORM

Department of Children, Youth, and Their Families Budget Revision Form, 2013-2018 Funding Cycle

Organization Name:		Telephone:	
Program Name:		E-mail:	
Prepared by:		DPCH:	
Grant Period:	July 1, 2015 - June 30, 2016	Today's Date:	
Executive Director Approval	<input type="checkbox"/> Check box to indicate ED approval: <input type="checkbox"/> Approved by Executive	Revision Effective Month:	

Instructions: This form is used to request revisions to your approved Workplan budget. Complete Column 3 below by marking budget line increases with positive numbers and decreases with negative numbers. Since this form will not add any money to your grant, but will instead reallocate money between categories, the total of Column 3 must equal 0. **Note: DCYF requires that you be current in your invoicing before submitting a revision request.**

Budget Categories	1. Approved Budget	2. Budget Remaining	3. Increases/ Decreases	4. Revised Budget	5. Revised Budget Remaining
A. Personnel			\$0.00	\$0.00	\$0.00
B. Fringe			\$0.00	\$0.00	\$0.00
C. Professional			\$0.00	\$0.00	\$0.00
D. Contractors			\$0.00	\$0.00	\$0.00
E. Materials/Supplies			\$0.00	\$0.00	\$0.00
F. Other Program Expenses			\$0.00	\$0.00	\$0.00
G. Administrative			\$0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Justification For Budget Revision: Provide specific detail for each budget line that will be changed. For example, what Materials/Supplies will you be purchasing? In what quantity? Which Personnel will be affected? Why is this revision necessary? Why do you require less funds in the decreased budget line?

For DCYF Use Only			
DCYF Specialist / Analyst	<input type="checkbox"/>	Approved	Date Approved: _____
Grants Manager	<input type="checkbox"/>	Approved	Date Approved: _____

To request a Budget Revision Form, contact your Program Specialist.

SECTION VII: CASH ADVANCES

DCYF expects that its grantees will hold enough cash reserves to allow sufficient time for grant processing, including grant agreement/modification and workplan approval. However, in rare cases the department will consider making a cash advance on a grant prior to the submission of invoices for reimbursement. Requests for a cash advance must be made to your Program Specialist in writing, and will be reviewed by Senior Staff. **DCYF has the right to refuse any requests for cash advances.**

In the first year of a funding cycle DCYF will consider requests for cash advances from all programs. Note that an approved cash advance can only be paid once the grant agreement is finalized. The dollar amount of the advance must be approved in advance by DCYF, and generally should be equivalent to 1/6th of the annual grant value (two months of invoices). DCYF will then deduct 1/5th of the value of the cash advance from the invoices submitted from December to April of that year.

In subsequent funding cycle years, DCYF will generally not consider advance requests from grantees except in extraordinary circumstances.

SECTION VIII: INSURANCE

Grantees are required to maintain insurance coverage for the entire term of the grant agreement. Should any coverage expire during the term invoice payment will be delayed until a new insurance certificate is received. Grantees are required to provide DCYF with updated insurance certificates and policy endorsements in a timely manner. Lapse of insurance shall constitute a material breach of the Grant Agreement (see Article 10, Section 10.6 of the grant agreement). In these cases, DCYF may change the term of the Grant Agreement to exclude the period of lapsed insurance, and the Grantee will not be reimbursed for expenses incurred during the lapse in coverage.

REQUIRED INSURANCE COVERAGE:

The following are the four types of insurance required by the City and County of San Francisco and DCYF:

- | | |
|--|--|
| 1. Commercial General Liability (including Abuse & Molestation coverage) | 3. Auto Liability |
| 2. Workers Compensation | 4. Fidelity (also known as Crime or Employee Dishonesty) |

REQUIRED LANGUAGE FOR INSURANCE CERTIFICATES:

Certificates must state the following:

- DCYF name and address listed as certificate holder
- Insurance holder must match name of agency on grant agreement
- City and County named as additional insured – see correct wording below
- All policies must provide at least 30 days advance written notice to City of cancellation

Coverage Type	Limits of Liability	Necessary Language For Insurance Certificates	Waived
Commercial General Liability, including Abuse and Molestation coverage	\$1,000,000 (one million)	The City and County of San Francisco, its officers, agents, and employees to be named as additional insured.	
Workers Compensation	\$1,000,000 (one million)		Can be waived Example: an all-volunteer organization with no employees
Auto Liability	\$1,000,000 (one million)	The City and County of San Francisco, its officers, agents, and employees to be named as additional insured.	Can be waived Example: agency does not use autos for its program
Fidelity (also known as Crime or Employee Dishonesty)	At least 15% of total contract amount	City as additional obligee or loss payee as its interests may appear	ONLY required for total grant over \$100,000 per year

OTHER INFORMATION ABOUT REQUIRED INSURANCE COVERAGE:

- Subcontractors: All subcontractors must have the same insurance coverage as the lead agency. These documents are required as per the grant agreement see Article 10, Section 10.9 for more information. The lead agency is responsible for obtaining insurance certificate and must be named as an additional insured party. DCYF will not collect insurance certificates for subcontractors. Grantees are responsible for collecting and maintaining all insurance coverage documents. DCYF review all insurance certificates at time of the Annual Fiscal & Compliance Monitoring visit.
- More Details: For more details on the types and amount of insurance coverage, see Article 10 of the grant agreement.

SECTION IX: INVOICES

DCYF grants are administered on a cost-reimbursement basis. Grantees complete monthly invoices using the online Contract Management System (CMS) to draw down grant funds. Grantees submit electronic invoices to DCYF through our secure website, at www.contracts.dcyf.org. The following guidelines apply to all grantees.

INVOICE SECTIONS:

Invoices contain a combination of fiscal, programmatic and performance information. There are three primary elements that need to be completed in the CMS to invoice: expenses, program narratives and data entry of program participants and activities:

- **Expenses:** grantees will use this part of the invoice to provide an accounting of the expenses incurred in the month for each budget category. The Grantee's fiscal staff should be responsible for the accuracy of this part of the invoice as well as for maintaining the documentation that backs up what is entered. Additionally, DCYF will check invoices against their backup documentation during the Fiscal and Compliance Monitoring visit.
- **Program Narratives:** Program staff should complete the narrative section to provide a description of the program activities and highlights that occurred during the month. This part of the invoice also asks grantees to indicate if staff has changed during the month and to describe program challenges, upcoming activities or events and materials the program will share with DCYF. Grantees should strive to provide clear, concise and accurate narratives that provide a good account of what is happening in the program each month.
- **Data Entry:** Program staff should be responsible for regularly entering participant and activity data. This type of data is required for most strategies as it provides a way for DCYF to verify the type, frequency and amount of services taking place. Regular entry of program data should be built in to the workload of program staff and should be spaced out in such a way that they are not scrambling to enter data before the invoice is submitted. DCYF reserves the right to delay the processing of invoices if a grantee has not entered participant and activity data for more than 2 months (if program is not on a scheduled break).
- **Progress Report:** This report captures the program's year to date information to provide Grantees with a snapshot of their performance each month. Progress Reports are locked when the invoice is submitted and cannot be modified after that point. However, Grantees can run Progress Reports based on any range of time they specify by using the Progress Report in the CMS Reports menu.

GENERAL GUIDELINES FOR INVOICING:

Grantees are required to submit at maximum 12 monthly invoices each fiscal year. Exceptions are made due to programming (i.e. after-school programming may occur 10 months; summer programming may invoice 3 to 4 months).

- **Invoice Deadlines:** All invoices are due 30 days after the close of the month. DCYF must receive timely monthly billings to conduct Fiscal Monitoring visits. In addition, grantees who submit their invoices regularly and on time receive reimbursement in a timely fashion

- Failure to Submit Invoices on Time: Persistent failure to submit invoices in a timely manner could result in delay in reimbursement, financial penalties and/or put the grantee in default of Section 11.1 of the grant agreement. In addition, a history of delinquent or inaccurate billings will weigh against the grantee when DCYF considers future funding requests.
- Bi Monthly or Quarterly Invoicing: programs may request to invoice on a bi-monthly or quarterly basis but must do so in writing and prior to the start of the fiscal year. DCYF has the right to deny such requests.
- Program Narrative: Grantees are required to provide a narrative that highlights the services/activities that occurred during the month including: a description of ongoing activities completed during the month, information about upcoming events or happenings, challenges faced by the program, as well as any changes to program staff. Program Specialists encourage grantees to provide a concise narrative that offers enough information without providing a detailed daily account of every activity.
- Participant & Activity Data: Grantees are required to regularly enter program and activity data in the CMS. The entry of program data is one way that DCYF verifies that programming is occurring and determines that a program is meeting performance measures. DCYF reserves the right to delay the processing of invoices if a grantee has not entered participant and activity data for more than two months (if program is not on a scheduled break).
- Program Cycles & Their Relation to Invoices: If Grantees will not provide services during a month, or longer, written notification must be provided to the Program Specialist. No invoices will be expected nor approved for those months. Grantee may not invoice for costs associated with an internal cost allocation when there is no programming or services provided.
- Invoices & Their Relation to Program Budgets: DCYF staff should be able to compare invoice expenses to the items included in the original budget. For example, it is not allowable to include additional personnel positions on the invoice that were not approved in the original workplan budget. Generally speaking, grantees should not change a cost allocation at any time of the year unless it has been approved through a budget revision.
- Backup Documentation for Invoices: DCYF will not require Grantees to submit monthly receipts or personnel records (back up documentation) with invoices. But DCYF does have the right to request these types of documentation at any time and for any reason. Typical reasons why DCYF may request backup documentation with an invoice may include persistent late invoicing, unusual fiscal or program staff changes, recurring errors in billing, etc. Invoices will be reviewed during the annual Fiscal and Compliance Monitoring visit.
- Invoice Processing Timeline: Please allow time for DCYF staff to process invoices. To process an invoice DCYF follows these steps: Program Specialists review the invoice (program and fiscal information) and approve it. Then the invoice is sent to the DCYF Fiscal Office to process the payment. The DCYF Fiscal Office works with the Controller's Office to pass on the information needed to make the payment. Assuming there are no issues along the way, the average processing time will be **two to five business days**. At times, additional information from the grantee may be requested and this may slow down payment. Typical reasons may include but are not limited to: expiration of insurance coverage, inaccurate amounts on invoice, insufficient program data or questions on narrative section.

FEDERAL AND OR STATE FUNDING:

For those Grantees whose grants are partially or entirely funded by federal or state money, monthly invoices **MUST** be accompanied with back up documentation for all expenses including payroll. Grantees should expect their Program Specialist or the DCYF Fiscal office to request both program and fiscal documents throughout the grant period. Program Specialists will provide details to each Grantee about what documentation will be required.

SECTION X: FISCAL AND COMPLIANCE MONITORING VISIT

In addition to visits to observe the program, each funded agency will receive an annual Fiscal and Compliance Monitoring visit. The fiscal review is NOT an audit but an opportunity to improve the quality and consistency of fiscal and other compliance procedures.

DCYF is one of eight city departments that participate in the Citywide Nonprofit Monitoring and Capacity Building Program (also known as Joint Monitoring). On a yearly basis a group of representatives from participating departments determines which grantees will receive a fiscal review, a self assessment, or will be waived from monitoring. The grantees included in this process must receive funding from two or more city departments. These grantees will be visited by city staff from each funding department at the Annual Fiscal and Compliance Monitoring visit.

If a Grantee only receives funding from DCYF they will not be part of the Joint Monitoring efforts but will receive a Fiscal and Compliance review using the citywide Fiscal and Compliance Monitoring form, and upholding the same standards.

GRANTEE SHOULD BE PREPARED TO SHOW THESE DOCUMENTS AT THE VISIT:

- a. Agency wide budget (global budget)
- b. Cash flow projection
- c. Cost allocation plan
- d. Most recent audited financial statement
- e. Most recent IRS Form 990
- f. Fiscal Policies and Procedures manual
- g. Most recent agency wide balance sheet
- h. Most recent agency wide profit and loss statement
- i. Back up documentation for all expenses including payroll
- j. Timesheets for staff listed on invoices
- k. Tax form DE6 and 941 filings
- l. Current board of directors, board meeting minutes, board handbook, by-laws
- m. Sunshine documentation (if applicable)
- n. Subcontractor documentation (if applicable)
- o. License (if applicable)
- p. Personnel Policy manual
- q. Staff personnel files
- r. Emergency Operations plan
- s. Americans with Disability Act documentation
- t. DUNS number
- u. Other documents as requested by the assigned Department staff

All fiscal visits are completed by DCYF's Contract and Compliance Specialists. The Specialists will review all documents and determine any findings that will need to be remedied in a timely manner. A formal letter detailing the Specialist's findings will follow all site visits.

FISCAL VISIT STEPS:



Step 1:Notification: A DCYF Contract and Compliance Specialist will contact appropriate staff (program and/or fiscal staff) to set a date and time for visit.

Step 2:Documents Sent: The Specialist will send a confirmation letter of the site visit or self assessment with agreed upon date and time for visit and overview of documents to be reviewed in advance and on site.

Step 3:Grantee Preparation: Grantee should review list and gather all documents in advance. Many documents can be sent to the Specialist in advance of the visit. On the day of the visit all other documents should be available for review. Invoices are always reviewed on site.

Step 4:Fiscal Visit: The Grantee's fiscal staff should be available during visit to answer questions. DCYF strongly recommends that the executive director attend the visit. A member of the board may also wish to be present.

Step 5:Monitoring Report Letter: Within two weeks of the monitoring visit the Specialist will send formal notice to the grantee detailing any findings observed. The grantee will have 30 days to respond to this letter. If an action plan is required to remedy larger fiscal issues, the Grantee may be required to participate in technical assistance, be placed on Elevated Concern or in the most serious cases, Red Flag status, which may lead to being defunded. In some cases if proper invoice documentation is not provided, the grantee will be required to reimburse DCYF for any unverified expenses. If there are no findings from the visit a Verification of Conformance letter will be sent to the Grantee, and no further response is required.

Step 6:Grantee Response Letter: If there are findings from the visit the Grantee will be required to submit a written response to all findings within 30 days of receipt of Monitoring Report Letter;

Step 7:Final Status Letter: This letter is sent when the Grantee has submitted a plan to the City. This letter will indicate either full conformance or a lack of conformance.

More Information: for more information including the Standard Monitoring Form, please visit the Controller's website at: <http://www.sfgov.org/controller/nonprofit>.

SECTION XI: PAYMENT PROCESSING/CONTROLLER'S OFFICE

All invoices are processed by the DCYF Fiscal Office, however payment is managed by the San Francisco Controller's Office. The Controller's Office requires all city vendors, meaning all non-profit organizations funded by DCYF, to receive reimbursements through direct deposit. Organizations may sign up by visiting: <http://www.sfcontroller.org/index.aspx?page=85>.

Any Grantee who receives a DPCH number from a grant agreement, grant agreement modification or workplan approval process after July 1, 2012 will be required to have direct deposit for all payments. Paper checks are no longer issued for reimbursement.

SECTION XII: USE OF A FISCAL AGENT

In some cases DCYF will fund an agency or program that does not have its own nonprofit 501(c)(3) status with the IRS. This situation requires the use of a fiscal agent, which is a nonprofit agency that agrees to provide financial and technical resources to another organization. Generally a fiscal agent provides fiscal oversight for the program, such as budget approval for the program, receivable processing, billing payments, financial statements and year to date reports, payroll services, human resource services etc. The board of directors of the fiscal sponsor is ultimately responsible for the implementation of the grant agreement signed by the fiscal sponsor executive director. Programs and fiscal agent agencies must have a formal sponsorship agreement in place that outlines expectations for both parties. The fiscal agent is DCYF's contractor of record in these cases, and as such bears joint responsibility, along with the program, for the successful implementation of the Grant Plan and full compliance with City standards.

Before entering into a grant agreement with a fiscal agent, the grantee must provide DCYF with a signed agreement between both parties outlining the services to be provided and the fees charged. In addition, the fiscal sponsor must be a compliant City vendor and maintain full insurance coverage as outlined in the grant agreement. Bear in mind that the fiscal sponsorship fee cannot exceed 10% of the total contract amount, and will be considered an administrative expense, which cannot exceed 15% of the total contract amount.

If your agency is considering transferring to a fiscal sponsor during the grant term, please contact your Program Specialist immediately.

SECTION XIII: GRANT ASSIGNMENT

During the course of the grant term a situation may arise that causes a significant change in an agency's status. For example, the agency may choose to cease operations and transfer its programs to another nonprofit. Or it may agree to merge with another agency and no longer operate under its current name.

In these cases DCYF funding can continue uninterrupted through a document called an Assignment and Assumption Agreement. This is a contract that stipulates that the original grant agreement, and the funds and responsibilities outlined therein, will transfer from the original grantee to the newly assigned agency. DCYF will allow a grant assignment only after receiving a written request and following approval by Senior Staff.

If your agency requires a grant assignment, please contact your Program Specialist.

SECTION XIV: EQUIPMENT/SUPPLIES OF PROGRAM NOT FUNDED

When a program is no longer funded, the Grantee is responsible for informing DCYF of all equipment and supplies purchased using public funds. DCYF will have sole responsibility to decide what will happen to all equipment and supplies purchased with DCYF grant funds. In most cases, the department expects that these items will remain available for public use, and may instruct the grantee to make arrangements to transfer the items to another nonprofit. Written notification can be requested if necessary from DCYF.

SECTION XV: ANNUAL ECONOMIC STATEMENT

Every Grantee receiving funds from DCYF shall file with the City Administrator an Annual Economic Statement on before April 1st of each year. Grantees also need to provide a copy of the document to DCYF by uploading it to the Documents tab of the CMS. To upload a document on the CMS: click on the Documents tab on the menu along the left side of the page. Once on this page the Grantee will be able to attach a document from their computer for upload to the CMS. For more information on this requirement Grantees should call 311 and ask to speak to the City Administrator staff or visit <http://www.sfgsa.org/index.aspx?page=4698>.

SECTION XVI: DCYF AUDIT POLICY

DCYF has developed a formal policy outlining when an organization receiving grant funds will be required to undertake independent financial oversight in the form of an audit or review.

There are three instances in which an agency will be required to get a financial audit or review. The first is based on the organization's total budget size, the second on the total amount of DCYF funds it receives, and the third on the amount of DCYF funds as compared to the total budget size of the organization. The details of the requirements in each of these three categories are as follows:

BUDGET SIZE:

- All agencies with global budgets of \$750,000 or more must receive a full audit.
- All agencies with global budgets between \$500,000 and \$750,000 must receive a financial review.

FUNDING – TOTAL AMOUNT:

- All agencies receiving \$250,000 or more in DCYF funds must receive a full audit. This can be from one award or cumulative over several DCYF grants.
- All agencies receiving \$100,000-\$250,000 in DCYF funds must receive a financial review. This can be from one award or cumulative over several grants.

FUNDING – RELATIVE TO BUDGET SIZE:

- All agencies receiving DCYF funds equal to 75% or more of its entire global operating budget must receive a financial review.

If your organization falls into multiple categories, then the default requirement will be to get an audit. In addition, DCYF reserves the right to require a financial audit or review from any grantee based on special circumstances.

APPENDIX A: SCHEDULE OF FISCAL DUE DATES

MONTH	ITEM	DUE DATE	NOTES
May to July	Grant Agreement or Modifications (contract)	As soon as possible	
	Advance Request: submit for approval	Before contract is approved	
August	Invoice: July	August 31st	Invoice will not be processed for payment until contract has been approved
September	Invoice: August	September 30 th	
October	Invoice: September	October 31st	
November	Invoice: October	November 30 th	
December	Budget Revision Request	December 31st	1st budget revision request due if needed
	Invoice: November		
January	Invoice: December	January 31 st	
February	Invoice: January	February 29 th	
March	Budget Revision Request	March 31st	2nd budget revision due if needed
	Invoice: February		
April	Annual Economic Statement	April 1 st	Must file with the City Administrator office and upload copy in CMS
	Invoice: March	April 30 th	
May	Invoice: April	May 31 st	
June	Invoice: May	June 30 th	
July	Budget Revision Request	July 1st	Summer budget revision request due if needed
	Invoice: June	August 31 st	

OTHER ITEMS WITH VARYING DEADLINES:

Annual Joint Fiscal and Compliance Monitoring Visits will occur approximately between November and March. Responses are due to the Program Officer within 30 days of receipt of the Monitoring Report Letter. Non-Joint Fiscal and Compliance Visits may occur anytime during the fiscal year.