



**Grants
Reform**

**New York State
Prequalification
System for
Grants Contract Vendors**

**Evaluation Manual for
Prequalification Specialists**

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1. Introduction

All vendors doing business with the State of New York are required to be prequalified in order to submit a competitive bid in response to a Request for Proposal issued by a State Agency, or be eligible for a contract amendment or modification. As a first step to prequalification, not-for-profit vendors are urged to obtain an SFS ID number and complete the Registration Form available on the Grants Gateway (www.grantsreforms.ny.gov). A hard copy of the Registration Form must be completed, signed and notarized by all vendors and sent back to the cited address in Albany. Once approved, vendors will be given a user ID and password granting them access to a secure Document Vault and the Prequalification Application.

1.1. Overview

Prequalification of not-for-profit vendors is an essential precursor to doing business with New York State. It involves the submission of a Prequalification Application, and a process of review comprised of:

- An assessment of the vendor's *Capacity*, including its basic operational management systems;
- An assessment of the vendor's *Legal Compliance* and a determination of whether it has satisfied all legal and regulatory requirements necessary for its particular type of service operation;
- An assessment of the vendor's *Integrity* and an evaluation of whether it is both an ethical and legally sound organization capable of delivering quality services to New York State community residents; and
- Periodic re-assessments and renewals of the vendor's prequalification status via submission of updated information and/or renewal application forms at the discretion of the NYSPS or State agency.

1.2. Background

State Finance Law §163(9)(f) requires that a State agency make a determination that a bidder is responsible prior to awarding that bidder a State contract. The primary objective of prequalification, therefore, is to assist State agencies in making an efficient determination of responsibility before vendors bid for State contracts in order to maximize the potential pool of qualified vendors. Prequalification helps to identify vendors that currently lack the integrity or the fundamental legal requirements to do business with the State. While it is our goal to work with each not-for-profit applicant to help it achieve eligibility status, protection of State resources is of paramount importance.

On the other hand, prequalification affords a significant opportunity to not-for-profit vendors to confer with State agency staff about the submitted application and correct any concerns the agency might have prior to the not-for-profit formally entering the competitive bid arena. Once a bid is submitted, the not-for-profit is statutorily barred from communicating with State agency personnel about any matters pertaining to their submitted materials. Also, by prequalifying, not-for-profits can secure their documents in the Document Vault where they will be accessible to State partners and other permitted partners, thereby reducing redundant submissions.

1.3. Scope

Prequalification is effective for all New York State grants contracts issued by the following State agencies:

- Council on the Arts
- Department of Agriculture & Markets
- Department of Corrections and Community Supervision
- Department of Economic Development
- Department of Environmental Conservation
- Department of Health
- Department of Labor
- Department of State
- Department of Transportation
- Division of Criminal Justice Services
- Division of Housing & Community Renewal
- Division of Parole
- Division of Veterans' Affairs
- Dormitory Authority
- Empire State Development Corporation
- Governor's Traffic Safety Committee
- Justice Center for Persons with Special Needs
- Office for People with Developmental Disabilities
- Office of Alcoholism & Substance Abuse Services
- Office of Children & Family Services
- Office of Homeland Security & Emergency Services

- Office of Mental Health
- Office of Parks Recreation & Historic Preservation
- Office of Temporary & Disability Assistance
- Office of Victims Services
- State Education Department
- State Office for the Aging

During the first phase of implementation of prequalification, entities incorporated as not-for-profits are required to prequalify. Subsidiaries of these entities, and unincorporated sub-agencies or programs are not permitted to prequalify but will have to register through a parent organization or fiscal sponsor.

For-profit corporations, individuals, tribal nations, government agencies and public authorities are not required to prequalify.

Prequalification and, correspondingly, all information stored in the document vault, has Statewide benefit and application. That is, once information is stored in a vendor's vault, State agencies will have ready access to such information, making information- and document-sharing highly efficient.

2. General

All vendors applying for prequalification should be advised of the following rules and conditions described in this Section.

2.1. No Guarantee of Award

Prequalification should not be construed as a guarantee of an award of contract. Prequalification only determines a vendor's eligibility to bid for a State contract, or its eligibility for contract renewal or amendment. In the event that the prequalified vendor submits a bid for a competitive contract, the sponsoring State agency is charged with making an assessment of whether the vendor is both responsible and has the capacity and requisite skills to carry out the requested services.

2.2. Application Investigations

In submitting an application for prequalification, vendors should be made aware that they are also giving permission to the reviewing State agency and its Prequalification Specialist to carry out such investigations and research as it considers necessary to determine whether the vendor meets the relevant prequalification criteria.

In undertaking the review of a vendor's application, Prequalification Specialists may take into account any other information in their possession or any other information obtainable

from its own agency or other government agencies. Further, Specialists have the right to examine resources and information pertaining to a parent or affiliated business entity.

2.3. Confidentiality

Information submitted in a prequalification application should be treated as confidential and should not be disclosed to any parties outside of the reviewing State agency and their partner State agencies, unless legally required to do so, or to obtain legal or financial information, or as required for the purpose of an Appeal regarding the prequalification decision.

The vendor's application information, including, but not limited to, any subsequent information pertaining to the vendor's performance on specific contracts, may only be shared with or made available to other State agencies, for the purpose of monitoring its performance and to determine continued eligibility for prequalification, unless otherwise requested or permitted by the vendor.

2.4. Impact of Prequalification on Subsequent Bid

The final assessment of a vendor's Prequalification Application will be confined to "Prequalified" or "Not Prequalified". There will be no further evaluation made about the vendor, ranking or grading of the application after the final evaluation has been completed. While each vendor Document Vault may contain the Prequalification Specialist's notes or a status report, it shall only contain the factual findings that led to the reviewing State agency's determination about the application.

3. Prequalification Requirements

Applicants for prequalification are required to meet eligibility criteria and demonstrate sufficiency across three criteria against which all applications should be assessed: *Organizational Capacity, Legal and Regulatory Compliance, and Integrity.*

3.1. Eligibility to Prequalify

All legally incorporated not-for-profit vendors are eligible to apply for prequalification consideration. Once prequalified, the prequalification status does not extend to related or subsidiary incorporated companies or entities of a prequalified vendor. Each such company or entity must apply for prequalification in its own right.

Unincorporated entities will not be permitted to prequalify separately. An unincorporated entity wishing to do business with New York State must obtain a legally incorporated sponsor or fiscal agent that should prequalify on behalf of the unincorporated entity. The sponsor or fiscal agent should describe in detail the management and/or ownership

structure of the business relationship between the entities. If possible, a joint venture agreement, MOU or other agreement evidencing the relationship should be provided.

3.2. Exemption from Prequalification

Although all not-for-profit organizations seeking to do business with the State must register with the Grants Gateway, certain not-for-profit organizations as defined on the Grants Reform website are exempted from the requirement to prequalify. Exemption must be requested at time of registration for the Grants Gateway. Along with the Registration Form for Administrator, not-for-profits seeking exemption must also submit a Prequalification Exemption Form with the required supporting documentation attached. Requests for exemption will be reviewed and, upon determining that supplied documentation is adequate, the organization will be issued a Grants Gateway status of NFP Prequalification Exempt. No further action will be required.

3.3. Assessment Criteria

All applications for prequalification should be evaluated against the criteria listed below.

1. Organizational Capacity

A not-for-profit vendor must demonstrate that it has the organizational capacity to operate a sound human services organization, undertake contracts and deliver services in a cost effective manner. We want to know how the not-for-profit manages its workforce and operations, whether it has the basic capacity to accomplish the work of the organization and whether it maintains a supportive work climate. To be sure, much of this information will be further explored in the context of the contract proposal. However, it is helpful to know if not-for-profits have the basic structure in place to carry out the work of the organization.

As you review each of the Capacity questions, keep in mind that organizational capacity is linked to a not-for-profit's stage of development. An emerging, or new not-for-profit, will have less formal management systems (which are indications of capacity) than a larger not-for-profit. Each question in this section contributes to a picture of overall organizational capacity. Therefore, it is strongly recommended that you view these questions in their entirety before making a decision about how the organization has answered them individually. For example, a small agency may not have certain internal controls in place given its lean staff. You may be tempted to disapprove the organization based on a single response. However, after reviewing the other responses, if you get an overall impression that the organization takes seriously its fiscal management and oversight, you may be more inclined to overlook certain minor deficiencies elsewhere.

Resource materials have been provided to direct you to templates and brief articles that will further guide you through the process.

Capacity Questions	Rationale	Resources
<p>1. Does your organization have a system in place whereby someone within the organization is authorized to receive money, and someone else is authorized to disburse money?</p>	<p>First review all Organization Capacity questions as a whole and look to see if other types of fiscal controls are in place in the agency, such as electronic accounting; automated payroll; board oversight of fiscal records and policies; dual signatures on contracts and checks; presence of a Finance Committee; submission of a recent audited financial statement.</p> <p><u>For large not for profits and more established organizations</u> - (orgs. with an Annual Operating Budget of more than a \$500K) insure that there is a separation of fiscal duties to provide internal fiscal control in the agency. If the not-for-profit responds “no” to this question, then request explanation of how they are separating these important fiscal functions.</p> <p><u>For Small not for profits</u> – (orgs. with an Annual Operating Budget less than \$500K) may not have the staff to create these roles, but</p>	<p>For more information on the elements necessary for a fiscally sound not-for-profit, including separation of duties, click here.</p>

	<p>look for other indications that organization has internal checks and balances. If such other controls are in place, then it's ok to approve this question.</p> <p><i>But please refer to sample language for this question.</i></p>	
2. Does the organization have an automated payroll system?	<p>Sound organizations will have an automated payroll system to minimize error. <u>Large not-for-profit</u> should have their payroll procedures automated. This can include an internally managed computer payroll system or an outsourced payroll system like ADP. If not, then look further to see if there are other indications of sound fiscal management. If other controls are present, then approve. If other controls are not present, then send back for modification and request explanation for how agency plans to address lack of internal controls. <u>Small organizations</u> may not have this in place but are encouraged to consider an automated payroll system. You should approve unless the org is clearly lacking sound fiscal management processes.</p>	<p>For resource information on not-for-profit fiscal health, click here.</p>
3. Does your organization use an electronic financial	<p>Sound organizations will have an electronic</p>	<p>For explanatory or resource information pertaining to</p>

<p>management system?</p>	<p>accounting system to minimize error. This can be a program as simple as QuickBooks. The not-for-profit, whether large or small, is strongly encouraged to consider an electronic financial management system. If the organization is otherwise sound, then you can approve but send a recommendation re implementing an e-financial management system. If other financial structures and systems are not present, then send back for modification and list the deficiencies and ask org to come back with a plan.(See explanation for Q. 2, above.)</p>	<p>the need for electronic accounting and possible accounting systems used by not-for-profit agencies, click here.</p>
<p>4. Does the senior staff team meet on a regular and consistent basis?</p>	<p>In a healthy organization, the senior management team should be meeting regularly to insure that the organization is meeting its organizational and contractual objectives and resolving outstanding disputes. This applies to both small and large organizations. Some small orgs have answered “no” to this question because they tend to meet informally. If you get this response, send back for</p>	

	<p>modification and request an explanation of how the senior staff members confer about organizational policies, performance outcomes and staff issues. We want to be sure that these issues are discussed even if informally.</p>	
<p>5. Does your organization conduct regular annual performance evaluations for staff?</p>	<p>Organizations should conduct performance evaluations annually, at a minimum. Businesses invite legal problems is performance reviews are not conducted regularly and are not documented. Large organizations must have these systems in place. If not, don't approve this question and send back for modification requesting that the organization meet and adopt a policy for regular annual or bi-annual performance reviews. Smaller organizations may indicate that reviews are conducted informally and you needn't hold up the application, <i>but see the sample language provided.</i></p>	<p>For a good example of a performance evaluation and professional development scheme for staff, click here.</p>
<p>6. Does your organization create professional development plans for the staff in conjunction with staff performance reviews?</p>	<p>Organizations should prepare professional development plans in conjunction with staff performance evaluations whenever possible. Many organizations tend to answer "no" to this</p>	<p>For a good example of a performance evaluation and professional development scheme for staff, click here. Also, direct the vendor to local and online resources for free professional</p>

	question. There's no need to disqualify an org based on this response. However, encourage orgs to adopt this practice as part of their performance review process.	development opportunities, such as those offered through NY Community Trust, Support Center for Not-for-profit Management, NPCC, NYCON, etc.
7. Is staff required to participate in training annually?	Professional development and staff training are different and have different objectives. Staff training can be provided utilizing internal resources and can be conducted with in-house senior staff. Again, many orgs. don't do this for staff on a regular or consistent basis. Encourage this practice but don't disqualify a vendor because they don't implement this practice.	
8. Identify the Information technology and telecommunications systems utilized by your organization. (Telephone, internet, email account, mobile device, facsimile).	Encourage not-for-profit to fill out this question as completely as possible. There is no right or wrong answer here.	

2. Organizational Legal and Regulatory Compliance

The not-for-profit vendor must be able to present evidence that it has the appropriate legal structure in place to transact business in the State of New York. It must also demonstrate that it has all necessary licenses, certifications, accreditations, registrations and other documents verifying its ability to perform its primary services for which it may be seeking a contract.

Questions pertaining to leadership and governance refer to the system of management and control exercised in the stewardship of the not-for-profit organization. Requests pertaining to the corporate charters and bylaws are necessary because they document the rights and responsibilities of each party and describe how the organization will be

directed and controlled to ensure accountability to its stakeholders and transparency of operations. Matters of governance pertain to organizational policies and procedures, succession planning, financial auditing, risk management practices, executive compensation practices, staff development, and operational monitoring.

Documents	Rationale	Resources
<p>1. Did a quorum of the board of directors meet regularly throughout the year in conformance with the organization's bylaws?</p>	<p>The not-for-profit's bylaws determine the frequency of board meetings and what constitutes a quorum. A large and established organization should follow its bylaws to the letter. A small or emerging organization should be able to live up to the intent of the bylaws even if there is a technical failure. In the case of a larger not-for-profit, this deficiency may signal more significant oversight problems. If not-for-profits (both large and small) provide a 'no' response, then don't approve this question and see <i>the sample language provided for you.</i></p>	<p>For guidance on how to view board management and oversight, click here.</p>
<p>2. Does the board of directors take and maintain minutes of all of its regular meetings, in compliance with its bylaws?</p>	<p>The taking of meeting minutes of all general board meetings is an important component of organizational record-keeping and a way for boards to maintain and chronicle the not-for-profit's legal structure.</p> <p>If not-for-profits are deficient in this area, follow the instructions for #1, above.</p>	<p>For a brief article on the need for and value of board minutes, click here. And for a template of board meeting minutes to offer to not-for-profit applicants, click here.</p>

<p>3. Is the frequency with which the board meets throughout the year consistent with your organization's bylaws?</p>	<p>The not-for-profit's bylaws determine the frequency of board meetings and what constitutes a quorum. A large and established organization should follow its bylaws to the letter. A small, or start-up organization should be able to live up to the intent of the bylaws even if there is a technical failure. In the case of a larger not-for-profit, this deficiency may signal more significant oversight problems. If deficient, don't approve this question for large not-for-profits and ask for an explanation and plan for correcting the problem. For small not-for-profits, provide the resource link and state that we expect them to be compliant with their Bylaws or they could be at risk of losing their prequalification status.</p>	<p>For guidance on how to view board management and oversight, click here.</p>
<p>4. Did the board committees meet regularly throughout the year in conformance with the organization's bylaws? If the bylaws do not describe the board committee structure, please describe the number of times each committee met during the past year.</p>	<p>The not-for-profit bylaws should offer guidance on both the type of board committees to be formed and the frequency they should meet throughout the year. At a minimum, an agency should have a fiscal committee that meets prior to the full Board meeting. While it is not required,</p>	<p>For help on understanding board structures and the importance of committees, click here.</p>

	requesting a schedule of committee meetings over the past year would serve as some evidence that the Board is holding regular meetings.	
5. Indicate all of the items the board of directors reviews and/or approves (annual operating budget, executive performance and compensation, fundraising plan, internal controls, fiscal controls, annual audit, Form 990, performance outcomes, other).	An organization's Board of Directors should review <u>all</u> of the indicated items if the Board is properly exercising its fiduciary oversight. If the not-for-profit provides a response demonstrating that its Board reviews some but not all of these items, ask the not-for-profit to explain why the board reviews some and not others. If the explanation is satisfactory, then approve. If only one item is missing and the organization otherwise appears to have internal controls in place, then approve. Otherwise, provide the link to the right, and insist that the Board regularly review and approve items on the list.	For guidance on a not-for-profit board's obligations, click here .
6. Does your board review financial statements on a regular and consistent basis? How frequently does the board or board committee review financial statements?	An organization's board of directors must review the org's financial statements at least quarterly and/or at every full board meeting. If the not-for-profit demonstrates that review is not occurring	For more information on board oversight, its fiduciary obligations and its role in reviewing financial statements, click here .

	at board meetings, they should be referred for board training. Do not approve. Send back for modifications until evidence of training is shown, and a stronger financial review system is in place.	
7. Does the organization reconcile bank statements on a monthly basis? If not, how often are bank statements reconciled?	Bank statements should be reconciled monthly, or in keeping with procedures of the not-for-profit's fiscal policy. Failure to regularly and consistently reconcile bank statements could point to a more serious operational deficiency. If an organization (either large or small) states that bank statements are not reconciled monthly, then look to see whether there are other internal controls in place. If not, then send back for modification until org. states that it is in compliance.	
8. State whether the organization has implemented internal fiscal controls by separating fiscal functions, for example.	There should be a system of checks and balances in a fiscally sound organization. Therefore, the not-for-profit should provide information demonstrating that contracts and checks are co-signed over a particular dollar amount, for example, and/or that parties with contract signing	To offer not-for-profits guidance on how to put proper internal controls in place, click here and direct applicants to the section on "Monitoring Internal Controls", in particular, which speaks to separation of duties.

	<p>authority are not the same individuals with fiscal signing authority. Note that these are simply examples of the types of fiscal controls you should be looking for!</p> <p>The only scenario in which you would return the Document Vault for this question is if the same person is the only person listed in A. and B. or the question is left blank. All other scenarios, including where just the individual titles are listed, are acceptable. If you are unclear about what systems the org has implemented, don't guess. Request further implementation about the types of controls they've put in place to insure fiscal accountability.</p>	
<p>8A. Identify those individuals with contract signature authority.</p>	<p>Look at the responses carefully. Ideally, the organization should provide more than one name of those authorized to sign contracts. It's ok if the org provides the title only and not a specific name.</p>	
<p>8B. Identify those individuals with check writing authority.</p>	<p>Look at the response carefully. The organization should provide two or more names of those authorized to sign checks. We'd like to</p>	

	see co-signatures on checks, but request more information if this is unclear to you.	
10. Does your senior management team regularly view your organization's overall performance data? If not, please describe the organization's practice regarding performance data review.	Ideally, the senior management team of a healthy organization should be reviewing performance data on a monthly or quarterly basis to ensure that contract performance goals are on target. This should be happening in both small and large orgs. For small orgs that state regular meetings aren't happening, ask them to explain their process to insure that performance outcomes are met.	For a good article on the need for performance objectives and how management can use performance data most effectively, click here .
11. Which of the following policies and procedures does your organization have in place? <ul style="list-style-type: none"> • CEO Compensation policy • <i>Anti-nepotism policy</i> • <i>Staff code of conduct</i> • Document retention policy • <i>Board of Directors Conflict of Interest Policy</i> • <i>Staff Conflict of Interest Policy</i> • Continuity of Operations Plan • <i>Diversity Policy</i> • Emergency Preparedness Policy • <i>Whistleblower Policy</i> • Security Policy • Succession/Transition Plan • <i>Fiscal/Internal Controls Policy</i> 	<p><u>For large organizations with an operating budget of more than \$1M</u> – all listed policies and procedures should be checked. At a minimum, and in order to approve this question for large organizations, they <i>must</i> have in place those policies listed in bold italics. If any of the non-italicized ones are missing, then use the sample language provided.</p> <p><u>For small organizations with budgets of less than \$1M</u> – they are required to have only</p>	For websites that offer an array of sample policies, direct not-for-profits to www.ideaencore.com ; www.crenyc.org ; www.nprcenter.org ; www.councilofnonprofits.org ; www.boardsource.org – to name a few.

<ul style="list-style-type: none"> • Personnel Recruitment/Screening/Hiring Policy • Personnel Retention and Retention Plan • <i>Supervision and Performance Evaluation Policy</i> • None of the Above 	<p>the policies listed in bold italics*, but encourage them to adopt the rest of the policies on the list. If any of the italicized policies are missing, send the application back for modification and request that they adopt the missing italicized policies and affirm that they have done so. <u>There's no need to have them upload these policies.</u></p> <p><i>*Exception: Whistleblower Policy pertains only to organizations with budgets over \$1M</i></p>	
<p>13. Does your organization have a written and posted Equal Employment Opportunity (EEO) policy?</p>	<p>EEOC <u>mandates</u> official postings of EEO laws and strongly recommends that the EEO posters be placed conspicuously throughout the worksite. While this rule applies to orgs with <u>15 employees or more*</u>, the EEOC official poster includes the regs pertaining to Equal Pay Act which applies to all employers of any size. Therefore, the recommendation is that all orgs. post the official EEO rules regardless of size. The not-for-profit applicant must state that it is in compliance with this requirement. <i>For organizations deficient</i></p>	<p>For information on EEO guidelines and where to get the EEOC posters for the workplace, go here.</p>

	<p><i>in this area, use the sample language provided.</i></p> <p><i>*All-volunteer organizations with no paid staff or hiring procedure will not have this policy; you may approve this question if that is the case and they have indicated No.</i></p>	
<p>14. Does your organization have an M/WBE policy regarding any work it conducts with outside providers, sub-contractors, consultants, vendors or partners?</p>	<p>The NY State MWBE policy is now required for not-for-profits. Organizations will most likely state that they are not in compliance. Don't hold up the application for non-compliance, but instruct org to meet with their Board and senior staff to discuss the new rule, and adopt a board resolution regarding its willingness to comply with the State's MWBE regulation. Do not disapprove the application, but have org affirm that it has adopted the policy and will implement in accordance with its negotiated contract goals. Sample language is provided here.</p>	<p>For more information about NY State's MWBE Executive Order, and how it pertains to vendors wishing to do business with NY State Agencies, go here. You may also provide the NFP a template, here.</p>

3. Organization Integrity

These are considered to be the critical prequalification questions and documents which, if answered in the affirmative without explanation, or if left blank, will warrant a heightened level of scrutiny by the Executive Deputy. The Integrity questions pertain to matters of organizational and business ethics and many are drawn directly from the Vendor

Responsibility Form, which is familiar to most not-for-profits. They are structured in a simple yes or no format. “Yes” answers will, in most cases, require further scrutiny. The questions go right to the heart of whether a not-for-profit promotes and ensures legal and ethical behavior in all of its interactions with its various stakeholders. We believe that organizations that do not demonstrate integrity in their daily business dealings will not contribute to the well-being of the communities they serve.

For any “YES” answer the grantee must provide a complete explanation including the names of the parties, date of the cause of action, and any resolution or outcome. If the answer is not complete and you do not completely understand the issue and the outcome, return the application to the grantee for the additional information and notify your agency counsel or Executive Deputy Commissioner and the Grants Reform Team so we can advise staff accordingly.

Integrity Questions	Reasons	Resources
1. Within the past five years, have you or any of your affiliates been suspended or debarred from any contracting process or been disqualified on any government procurement?		
2. Within the past five years, have you or any of your affiliates been subject to a denial or revocation of a government prequalification?		
3. Within the past five years, have you or any of your affiliates been denied a contract or had a bid rejected based upon a finding of non-responsibility by a government entity?	You may come across cases where a government entity utilizing a prequalification system will find a not-for-profit “non-responsible” or “ineligible” for administrative reasons such as the late submission of an audit or other necessary document. It will be important to review the reasons for the prior non-responsibility finding(s). If the matter was later corrected and it doesn’t seem to speak to the	

	<p>organization's integrity, do not forward the matter to the Executive Deputy for further review.</p>	
<p>4. Within the past five years, have you or any of your affiliates been suspended, cancelled or terminated for cause on any contract?</p>	<p>The not-for-profit's response should be weighed carefully. Contracts can be suspended for performance reasons that have nothing to do with matters of organizational integrity, fraud or ethical breaches. If it appears that the agency underwent a past contract suspension, termination or cancellation due to performance problems, you should look closely at the reasons for the failure. If the failure stemmed from poor management oversight, then the matter requires the heightened the scrutiny of the Exec. Dep. However, if the performance issue was later corrected, then this should be stated in your notes and you may approve as to this question.</p>	
<p>5. Within the past five years, have you or any of your affiliates had a revocation, suspension, or disbarment of any business or professional permit and/or license?</p>	<p>A revocation of a license, or business or professional permit could signal the possibility of a problem. On the other hand, it could have been the result of a missed payment or missed deadline. It's important to gather as much information as possible that led to the revocation or suspension. If it is clear that the matter does not involve an integrity or ethical breach then state this in your Report and</p>	

	don't forward to the Exec. Deputy. Otherwise, forward the information to the Executive Deputy for review.	
6. Within the past five years, have you or any of your affiliates been the subject of an investigation, whether open or closed, by any government entity for a civil or criminal violation?	<u>If the organization answers "yes" to this question, gather as much information as possible and confer with the Prequalification Officer for further direction.</u>	
7. Within the past five years have you or any of your affiliates been the subject of an indictment, grant of immunity, judgment or conviction (including entering into a plea bargain) for conduct constituting a crime?	<u>See #6, above.</u>	
8. Within the past five years, has any individual previously identified, any other key employees not previously identified, or any individual having the authority to sign, execute, or approve bids, proposals, contracts or supporting documentation with New York State been subject to an investigation, whether open or closed, by any government entity for a civil or criminal violation for any business related conduct?	<u>See #6, above</u>	
9. Within the past five years, has any individual previously identified, any other key employees not previously identified, or any individual having the authority to sign, execute, or approve bids, proposals, contracts or supporting	<u>See #6, above.</u>	

<p>documentation with New York State been subject to an indictment, grant of immunity, judgment, or conviction of any business related conduct constituting a crime including, but not limited to, fraud, extortion, bribery, racketeering, price fixing, bid collusion or any crime related to truthfulness?</p>		
<p>10. Within the past five years, have you or any of your affiliates received any formal unsatisfactory performance assessment(s) from any government entity on any contract?</p>	<p>Review applicant's response carefully and be sure to gather background information on the nature of the unsatisfactory determination. It may not rise to the level of warranting heightened scrutiny if the determination was for a past, temporary outcome performance issue that was corrected by the organization.</p>	
<p>11. During the past three years have you failed to file any returns, including, if applicable, Federal Form 990, with any Federal, State or Local government entity?</p>		
<p>12. During the past three years have you failed to file returns or pay New York State Unemployment Insurance? If yes, indicate the years you failed to file/pay the insurance and the current status of the liability.</p>		
<p>13. During the past 3 years, have you failed to file documentation requested by any New York State agency, public authority or</p>		

<p>other quasi-state entity, with the Attorney General of the State of New York, or with any other local, State or Federal entity that has made a formal request for information? If yes, indicate the years the business entity failed to file the requested information and the current status of the matter.</p>		
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4. Required Documents

The following documents are required of all not-for-profits, both large and small. They demonstrate that the organizational is legally in compliance with NY State Non-Profit regulations as well as federal tax law.

Required Document	Reason	Resources
<p>1. Upload a copy of the certificate of incorporation or equivalent document, depending on organizational structure.</p>	<p>Only incorporated entities can prequalify and bid for contracts. The vendor seeking prequalification may be unincorporated because it is a program of a parent corporation or it may have a fiscal agent. In that case, the parent company or fiscal agent and not the unincorporated entity must prequalify. If the vendor states that it is a newly formed entity and has not yet filed for the Articles, it should do so immediately. The DOS can incorporate an organization within 24 hours with its online expedited service. Don't approve the application until evidence of incorporation is submitted.</p> <p>For this document request,</p>	<p>For an example or template of not-for-profit articles of incorporation, click here. And for instructions on filing, go here.</p>

	<p>we will accept:</p> <ul style="list-style-type: none"> - A Certificate of Incorporation issued by the NY Dept. of State. - A Charter issued by the NY State Education Dept for educational or a Provisional Charter issued by NY State Education. - A County Certificate of Incorporation and Bylaws for a religious organization - Articles of incorporation for an entity incorporated in another state PLUS the certificate showing that it is registered to do business in NY State. - <p>Note: If the vendor provides a letter from SED stating that “it approves the incorporation of the entity” then make sure the vendor has also submitted the referenced incorporation documents.</p> <p>Also note: The Certificate of Incorporation and any amendments must be attached. The name of the organization must match the name listed in the Document Vault. If not, the organization should also attach the Certificate of Assumed Name provided by the Department of State.</p>	
<p>2. Upload a copy of IRS 501(c) determination letter.</p>	<p>Not every not-for-profit applies for 501(c) tax exemption. Religious orgs are automatically tax</p>	<p>For basic guidelines on the IRS rules and regulations pertaining to tax exempt status and for filing</p>

	<p>exempt and may not have applied for tax exempt status, for example.</p> <p>If the org is a 501c – then org should upload a copy of the IRS letter confirming this tax exemption status.</p> <p>If the organization is new and the exemption is pending, then request a copy of the exemption request.</p> <p>If the exemption letter is lost - The entity should provide a valid copy of the IRS determination letter or a letter confirming prior exempt status approval if the original letter was lost.</p>	<p>guidelines to pass along to not-for-profit applicants, click here.</p>
<p>3. Upload a copy of the organization’s most recent IRS Form 990.</p>	<p>If the org is tax exempt – they must file a 990 or 990EZ Form each year with the IRS.</p> <p>If the org has gross receipts of less than \$50K, then they will file a 990-N (or an e-postcard).</p> <p>ALL not-for-profits must submit their 990s and financials within 6 months after the close of their last fiscal year. UNLESS:</p> <ul style="list-style-type: none"> - They have requested an automatic 3 month extension as evidenced by Form 8868 - They have requested a second non-automatic 3 month extension, as evidenced by Form 8868, page two OR an IRS e-file extension request receipt. 	<p>For a good example of what a 990 looks like, how to read it, what to look for, and the top 10 warning signs to look for in a problematic 990, click here.</p> <p>Additional information on due-dates for financial documents can be found in Section 5.3</p>

	<p>Not-for-profits are required to file Form 990 with the IRS each year unless they can demonstrate they fall within one of the exemption categories.</p> <p>If a not-for-profit states that it is exempt from this filing— it must provide you with its exemption request filed with the IRS, presumably Form 1024, along with the IRS letter granting the exemption request. Note: If the Form 990 is current but doesn't have a signature, you can accept this document provided it appears to be timely filed (within 6 months of fiscal year end).</p>	
<p>4. Upload the most recent audited financial statement, financial review, or internal financials and findings.</p>	<p>In NY, organizations with revenues greater than \$500K must provide an independently audited financial statement with a management letter.</p> <p>Organizations with revenues of less than \$500K but greater than \$250K, must provide a financial statement reviewed by a CPA.</p> <p>Organizations with revenues of less than \$250K need only provide a copy of the most recent internal financial report reviewed by the Board. If the not-for-profit states that the audit/review/report has been</p>	<p>For more information on how to read an audited financial statement or financial review and what to look for, click here.</p>

	<p>delayed, then request clarifying information. The vendor must provide a rational basis for the delay. In cases where the vendor states there has been a delay, it must still provide the previous year's audit /review and the current year's financials instead. An audit that is more than 12 months overdue may be problematic. Consult the Executive Deputy for further review, or the Prequalification Officer, if needed.</p> <p><u>Financials are due on the same schedule as the IRS990.</u></p> <p>Certain Exempt Organizations: Those entities exempted by Executive Law § 172-a from submitting financial disclosure materials to the Attorney General's Charities Bureau (such as religious organizations involved in exclusively non-secular activities) should, regardless of their annual revenue, provide their most recent <u>internal financial report reviewed by the board.</u> This is the same financial disclosure requirement for prequalification that applies to organizations with revenues of less than \$250,000.</p> <p>No exceptions on this provision. All organizations MUST provide financials!</p>	
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<p>5. Upload a copy of the CHAR 500 or CHAR 410.</p>	<p>All not-for-profit organizations must file either a CHAR 410 (for newly formed entities within the first year of operations) or a CHAR 500 with the NY State Charities Bureau. See the new filing guidelines for applicable filing dates.</p> <p>As the Charities Bureau no longer requires written or emailed requests for extension to file, we are instructing organizations to set their Date Next Due 22 months and 15 days (the length of time for regular filing, plus two 90-day extensions) in the future. Please see Section 5.3 for additional details.</p> <p>Not-for-profits that are not required to register with the Attorney General’s Charities Bureau, but chose to file the CHAR 410 and Schedule E with the Charities Bureau to document exemption, should upload the Char 410 and Schedule E.</p> <p>Not-for-profits that are not required to register with the Attorney General’s Charities Bureau and chose not to file the CHAR 410 and Schedule E with the Charities Bureau to document exemption, should complete and upload the Schedule E.</p> <p>.</p> <p>Note: The CHAR 500 or 410 need not be signed by the</p>	<p>For a quick break down on the CHAR 500 requirements and to direct applicants to the AG website for the CHAR 410 or CHAR 500 forms, click here.</p>
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	<p>agency</p> <p>Important: If no CHAR 410, 500 or exemption has been submitted, do not approve this item. You must send back for modification and disapprove.</p>	
<p>6. Upload a copy your Board Profile with a list of your board of directors, including a brief profile of each one, stating their name, employer, years on the board, and Committee participation.</p>	<p>Under N-PCL, a not-for-profit organization, upon formation, must name a minimum of 3 individuals to serve as its initial board members. In some cases, organizations may be very small and state that they have not taken the time to assemble a board. However, governance with at least 3 board members is legally required.</p> <p>The Board profile can be very simple: name of individual, affiliation or employer, position on board and years of service with agency.</p>	<p>For the basic rules on establishing a not-for-profit corporation, including the rules pertaining to board membership, click here. And for a template of a Board Profile that you can share with applicants, see the Grants Reform Website</p>
<p>7. Upload Senior Leadership Resumes or CVs.</p>	<p>You should be looking for resumes or CV's of the individuals who are actually running the day to day operations of the organization. These will NOT be the board members, who are volunteers. The senior leaders will be paid staff.</p> <p>Look for the resume of the top level person (his/her title could be <u>either Executive Director, CEO, President or equivalent</u>); look for the</p>	<p>You may also provide a template if the upload provided is not what is expected.</p>

resume of the second in charge (his/her title could be Associate Director, COO, Vice President, Senior Program Manager, etc.); look for the resume of the head fiscal person (his/her resume could be (Fiscal Director, CFO, Vice President of Finance, etc.). In small orgs, you may not find all of these people or you may see hybrid roles. Just look carefully at the resumes submitted and see if the people are covering the important functions in running the operational and fiscal affairs of the business.

It is important that not-for-profits are led by effective managers with the skills to deliver the services for which their organizations were created. You should take a careful look at the resumes or CV's submitted to make sure that people in leadership positions have the basic skills to manage these businesses.

Note: In cases where members of the Board are serving as staff members, make sure that the head of the organization is not also the Board Chair. We need to see that there are checks and balances in place.

Any questions – refer to Prequalification Officer for review.

<p>8. Upload a copy of corporate bylaws, adopted by board of directors.</p>	<p>While not required to be filed with the DOS, corporate bylaws are essential to organizational good governance. Bylaws lay out the basic rules of the board structure, operational management, mission and the direction of the agency.</p> <p>Bylaws need not be signed, but you should review them quickly to look for the number of times the Board is required to meet, the names of Committees, any other unusual requirements.</p>	<p>For a template of not-for-profit bylaws to review or to forward to a not-for-profit organization, go here.</p>
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4. Assessment Process

1.1. Referral of Application to State Agency

After submission, the vendor’s Prequalification Application will be distributed to the appropriate State Agency for review and assessment. Applications will be assigned to the State agency that the vendor has identified as being its most likely funding partner, the one with which it has or will have the most contracts.

4.2. Assessment of Applications

The Prequalification Specialist of the reviewing State agency shall assess each vendor application for prequalification to determine whether it meets the requirements set forth in this manual. Assessment of the application will be based on the following:

- Information supplied by the vendor contained in the completed Prequalification Application, and any attached supporting documentation, together with any additional information sought by the Prequalification Specialist or the reviewing State Agency from the vendor;
- Documentation held by the State agency regarding the vendor’s previous performance, or the prior results of the vendor’s review in response to a bid submission;
- Information available from other State agencies regarding the vendor’s previous performance;

- Any other information it deems necessary when considering the vendor's Application.

4.3. Chain of Review

1. The Prequalification Specialist's Role

Agency Prequalification Specialists are charged with the responsibility of managing the relationship with the vendor throughout the course of the prequalification review process to insure that a swift determination is reached on the Application (typically within 30 days or less), and that NYSPS processes and procedures are consistently adhered to.

Each application will be reviewed and evaluated by the agency Prequalification Specialist in accordance with this Manual. As noted above, Specialists have the freedom to make inquiries and investigations and conduct research to gather as much information as possible to help them come to a reasonable decision about the application under consideration.

Upon completion of the review, the Prequalification Specialist will approve all Required Forms and Documents, and grant the status of Prequalified. The vendor will be notified that the organization is Prequalified for a period of three (3) years as long as financial documentation is updated annually, and absent any violations or offenses that might be cause for Suspension. (For more information on Suspensions, see Section 4.7, below.)

Prequalification Specialists will only refer the vendor application to the supervising agency Executive Deputy in the following situations:

- The vendor has provided an unsatisfactory response to a required Integrity or Compliance question, after repeated inquiry. In this case, the Prequalification Specialist will prepare a Report Form and forward the matter to the Executive Deputy for further review;
- The vendor refuses to answer one or more of the prequalification questions. In this case, the Prequalification Specialist should contact the vendor to request a response. If the vendor continues to refuse, the Specialist will prepare a Report Form and forward the matter to the Executive Deputy for further review;

If the vendor's application is referred to the Executive Deputy for further review, the Prequalification Specialist is charged with the responsibility of monitoring the progress of the review and notifying the vendor of the outcome of the Executive Deputy's review, once completed.

2. The Agency Executive Deputy's Role

Typically, a vendor Prequalification Application will be referred to the Executive Deputy when issues arise pertaining to concerns about vendor integrity. In such cases, the

Executive Deputy shall conduct an independent review of the application, taking into consideration any notes or reports submitted by the Prequalification Specialist. The Executive Deputy may also contact the vendor directly to gather more information; he or she can convene a meeting with the vendor; s/he may confer with the Prequalification Officer or other partnering State agency to discuss the matter; and may perform independent research or confer with proven information sources in order to arrive at a decision.

The Executive Deputy shall make every effort to conclude his or her review within 10 days after referral by the Prequalification Specialist. Once a decision has been reached, the Executive Deputy shall notify the vendor in writing of the outcome of the review.

3. The Prequalification Officer's Role

The Prequalification Officer will serve as a support to the Executive Deputy as he or she conducts the review of not-for-profit vendor prequalification applications. The Prequalification Officer monitors the processes and procedures pertaining to prequalification to insure the consistent application of the guidelines across all State agencies.

In the event that a vendor requests a formal review of an adverse decision, or wishes to appeal a decision made against its organization, then the request must be directed to the Prequalification Officer for coordination, as noted in Sections 4.8 and 4.9, below.

If such a request is made, the Prequalification Officer will lead the resolution of the review, whether the request relates to the vendor's initial prequalification decision, or to a decision made to suspend the vendor's prequalification status.

During the review, the Prequalification Officer will be responsible for conducting an independent review of the vendor application and rendering an opinion. The Officer may be required to convene an expert panel, as requested, or confer with other partnering State agencies, as needed. A final decision must be reached and communicated to the vendor within 30 days of the submission of the request for review or request for appeal. Once a decision is reached, however, it will become final and the matter will be closed until subsequent review.

The Prequalification Officer will also be responsible for such things as coordinating ongoing training of the Prequalification Specialists, and working in concert with the Grants Reform staff to monitor the timeliness and performance of the Prequalification process.

4.4. Notification

Vendors will be notified typically by email of the outcome of their application for prequalification. Vendors are strongly encouraged to login to the Grants Gateway regularly after submission of the application to check on the status of the submitted application.

Vendors will be similarly contacted if additional information is needed to process the application.

4.5. Prequalification Application Status Form

When the vendor's application has been fully reviewed and a final determination has been made, the online review form will create a report that documents both internal and external notes that have been compiled by the reviewing Prequalification Specialist. Specialists are encouraged to maintain complete and accurate notes throughout the review process and while communicating with vendors, so that subsequent and outside reviewers can track the progress of the review. Accuracy of note-taking is particularly important when applications are later reviewed on appeal. A Prequalification Specialist's records will become helpful to the reviewing team.

4.6. Maintenance of Prequalification Status

Once prequalified, a vendor need not reapply for prequalification for three years. However, in order to maintain its prequalification status, the vendor is required to update annually any expiring required documents and all information pertaining to its financial, legal and organizational capacity, as needed, or following a significant change in structure, management, or in any of the areas listed above. When new information is submitted by the vendor into its document vault, the prequalification specialist will be notified that a re-review is required. Specialists, once notified will be required to perform a review of the new information in order to insure that the vendor's prequalification status is satisfactory. If the new information is problematic, then the Specialist can revoke prequalification.

4.7. Review of Vendor's Prequalification Status

At any time, the reviewing State Agency or any other partner State Agency may review the vendor's prequalification status. A review can be initiated in cases where:

- vendor performance on a contract is considered unsatisfactory;
- changes to a vendor's organizational structure, technical, financial, or management capacity may have an adverse impact of the vendor's performance;
- restrictions on a license or registration to practice have been imposed, or third party certification has been withdrawn;
- vendor has committed some act or contractual non-compliance such that there may be an unacceptable risk in allowing the vendor to remain prequalified;

- there has been a failure to comply with the terms and conditions of prequalification; or
- there has been a failure to meet the terms of the Vendor Responsibility process.

4.8. Denial or Revocation of Prequalification

In rare instances, the reviewing or other State agency may find that one or more of the following has occurred:

- Failure to meet any of the legal or regulatory requirements;
- Failure to comply with relevant legislation or state regulation, policies or codes;
- A report of substantial unsatisfactory performance from other state agencies;
- An adverse change in capacity or capability of the organization's management systems (including availability of key personnel) from that upon which the prequalification was assessed;
- Failure by the vendor to adequately and promptly resolve any outstanding deficiencies that may have been identified by the Prequalification Specialist; or
- Any convictions for fraud or matters reflecting on the integrity of the vendor.

Before any vendor's prequalification status is denied or suspended, the reviewing State agency will contact the vendor in writing noting all matters that may have prompted the decision to suspend, and will give the vendor an opportunity to state a case for why its prequalification should not be suspended. The vendor will have 30 days from the date of the notice letter within which to submit a statement, in writing, presenting the reasons why suspension should not occur or requesting an extension of time to remedy the defects cited by the State agency. The vendor's statement and any other relevant information shall be assembled and referred to the agency Executive Deputy for review and final determination.

If the vendor can satisfactorily demonstrate that the suspension should not be placed on its prequalification file, or if it can demonstrate that it is fully compliant with all cited matters, then the suspension notice must be rescinded.

4.9. Appeals

If a vendor is not satisfied with a decision reached by the reviewing State agency in relation to its prequalification application or relating to a decision whether to suspend the vendor's prequalification status, the vendor may make a formal appeal, in writing, to the Prequalification Officer to review the decision of the State agency that made the decision.

The appeal for a review must be sought, in writing, within 20 business days of the date of the notice letter from the agency advising the vendor of the original adverse decision.

The request for review must provide full details of the reasons for the request and offer any additional information upon which the vendor wishes to rely.

The Prequalification Officer will be permitted to review the file, the Specialist's notes, and will be permitted to interview the vendor and/or conduct independent research, as the Officer sees fit, in order to assist him or her in rendering a decision. The vendor will be informed in writing of the outcome of the review, within 30 business days of the request.

In certain cases where a vendor has been denied prequalification based on matters of integrity, and where the vendor wishes to appeal the agency decision, the Prequalification Officer may find it necessary to conduct a more in depth interview of the vendor in order to gather necessary information to fill out the file. The interview will follow a prepared script and a list of questions that are designed to gather further information about organizational integrity, ethical behavior and about the incident(s) in question, specifically. Upon completion of his/her investigation, the Prequalification Officer will convene an expert review panel to render an opinion.

The Prequalification Officer will be responsible for convening a panel of experts to assess the vendor's appeal. Any person involved in the inquiry that led to the suspension or non-prequalification decision originally, will not be permitted to participate on the appeal panel.

The appeal panel will be convened within 14 business days of the receipt of the request for appeal, and a decision will be reached by a majority decision of the panel based on a review and analysis of any information which guided and formed the basis of the original decision and any new or additional information submitted by the vendor.

A designated member of the appeal panel will advise the vendor and the reviewing State agency of the decision reached, and will provide reasons for its decision within 10 days of the assessment. The decision reached by the panel will be final.

5. Appendices

5.2. Sample Language

5.2.1 Organization Capacity

In order to evaluate deficiencies in a vendor's Capacity responses, you should look at the organization as a whole and also review the other responses submitted by the vendor.

If you detect problems with internal controls, for example, first, look at the size of the organization and number of full-time staff. Then, look to see if other types of fiscal control are in place in the agency, such as electronic accounting; automated payroll; board oversight of fiscal records and policies; separation of contract signing and legal signing; presence of a Finance Committee; and the submission of a recent audited financial statement. A deficiency on one of the fiscal-related questions may not be fatal for the application as a whole if other evidence points to the fact that the vendor has thoughtfully gone about installing some measure of control over its finances.

Question 1:

If there are other controls in place, as explained above, the lack of compliance with this policy should not hold up the application. But see explanation, below:

a) For small not-for-profits, if other measures of fiscal control are NOT fully in place, BUT there is a Board of Directors conducting general fiscal oversight on a regular basis; the senior managers regularly review the financials, and they've submitted an audit, CPA review or current fiscal statement (depending on the size of the vendor), then you are free to use the comment in paragraph a:

Insert this language as an external comment:

"We believe your organization should consider implementing a system, if at all possible, whereby one individual is handling receivables for the agency and another is handling payables. For more information on the elements necessary for a fiscally sound not-for-profit, including separation of duties, see http://www.nyc.gov/html/mocs/downloads/pdf/nonprofit_help/12_FMA%20Safeguarding%20Your%20Assets.pdf.

If, however regular oversight of the not-for-profit's financials does not seem to be happening, then you should reject the application and request further information

about board oversight, management oversight and the degree to which they've installed internal controls. You can add the above language as an additional note, letting the vendor know that we expect them to implement a system that is similar to that which has been cited in the FMA guidelines.

b) For large not-for-profits, they must have all fiscal controls in place before you can approve the application. If you find a deficiency on this question, return the application, point out the fiscal deficiencies and request clarifying information before you can approve. Use the following language in your external comment:

“ Provide information demonstrating that contracts and checks are co-signed over a particular dollar amount and/or that parties with contract signing authority are not the same individuals with fiscal signing authority. Guidance on how to put proper internal controls in place can be found at <http://www.nyc.gov/html/nonprofit/downloads/pdf/Internal%20Controls%20for%20Small%20Nonprofits.pdf>. See the section on “Monitoring Internal Controls”, in particular, which speaks to separation of duties.”

Questions 5, 6, and 7:

Unless a not-for-profit vendor is truly a “mom and pop” organization with only 2 or 3 FTE's, then we require that all organizations, both large and small conduct annual formal performance evaluations for their staff members. This may seem pointless to a small organization, but formal evaluations prevent legal problems down the road.

a) For smaller organizations with limited staff, claiming that they conduct “reviews” and give feedback on an informal basis, you needn't hold up the prequalification application document vault, but provide the following comment:

“Organizations should conduct performance evaluations annually, at a minimum. Businesses invite legal problems if formal performance reviews are not conducted regularly and are not documented. Both large and small organizations must have these systems in place. Please insure that you have reviewed this matter, adopted this practice and will implement a plan for conducting annual or bi-annual performance reviews.”

For purposes of expediting your application today, we will not hold up prequalification. However, we expect your organization to comply with this requirement and may request evidence of compliance at a future date.”

b) For large organizations deficient in this area, return the application, and provide the following external comment:

“Organizations should conduct performance evaluations annually, at a minimum. Businesses invite legal problems if performance reviews are not conducted regularly and are not documented. Large organizations must have these systems in place. Please tell us that you have reviewed this matter, adopted this practice and will implement a plan for conducting annual or bi-annual performance reviews.”

5.2.2 Organization Compliance

Question 1, 2, 3, 4, 5 6:

For both small and large not-for-profits, if the answer is NO you should return the Document Vault to the organization with the following external comment:

“The Board of Directors should meet on a regular consistent basis to oversee the operations of the organization. The organization should follow the Corporate By-Laws and provide an explanation as to why they are not in compliance with their By-Laws.”

Question 11:

a) For small not-for-profits - New York State requires that small organizations establish the following policies and procedures:

Anti-nepotism Policy; Staff Code of Conduct; Board of Directors and Agency Conflict of Interest policy; Diversity Policy; Fiscal/Internal Controls Policy; and, Supervision and Performance Evaluation Policy. For additional information, please visit www.ideaencore.com; www.crenyc.org; www.nprcenter.org; www.councilofnot-for-profits.org; www.boardsource.org.

However, if they are missing any of these, you may approve this part of the Prequalification Application Document Vault, but include the following as an external comment:

*“While we strongly encourage all non-profits to implement all of the listed policies for their organizations, for an entity of your size we require that you prepare, formally adopt and implement the following policies: **Anti-nepotism Policy**; **Staff Code of Conduct**; **Board of Directors and Agency Conflict of Interest policy**; **Diversity Policy**; **Fiscal/Internal Controls Policy**; and, **Supervision and Performance Evaluation Policy**.*

For further information and for websites that offer an array of sample policies, you can go to www.ideaencore.com; www.crenyc.org; www.nprcenter.org; www.councilofnot-for-profits.org; www.boardsource.org – to name a few.

For purposes of expediting your application today, we will not hold up prequalification. However, we expect your organization to comply with this requirement and may request evidence of compliance at a future date.”

b) For large non-profits – they must adopt all of the listed policies. However, for purposes of expediting the review, we will require that large organizations SHOULD adopt all listed policies, but they MUST have in place, at a minimum, the policies that have been listed in bold italics. These are the most critical ones for an entity of any size.

If the large organization is missing any of the critical, italicized policies, provide the following external comment:

*“For an entity of your size we require that you prepare, formally adopt and implement all of the polices listed. However, at a minimum you must have in place the following policies before we can proceed with the review of your application: **Anti-nepotism Policy**; **Staff Code of Conduct**; **Board of Directors and Agency Conflict of Interest policy**; **Diversity Policy**; **Fiscal/Internal Controls Policy**; and, **Supervision and Performance Evaluation Policy**.*

For further information and for websites that offer an array of sample policies, you can go to www.ideaencore.com; www.crenyc.org; www.nprcenter.org; www.councilofnonprofits.org; www.boardsource.org – to name a few.

If the large organization is missing only the 'non-critical' policies (those not listed in bold italics), then provide the following external comment:

“For an entity of your size we require that you prepare, formally adopt and implement all of the policies listed.

For further information and for websites that offer an array of sample policies, you can go to www.ideaencore.com; www.crenyc.org; www.nprcenter.org; www.councilofnonprofits.org; www.boardsource.org – to name a few.

For purposes of expediting your application today, we will not hold up prequalification. However, we expect your organization to comply with this requirement and may request evidence of compliance at a future date.”

Question 12:

Both small and large vendors are legally required to adopt and post the EEOC policy in the workplace. If any vendor is deficient in this area, provide the following sample language:

“EEOC mandates official postings of EEO laws and strongly recommends that the required posters be placed conspicuously throughout the worksite. Your organization must demonstrate that it is in compliance with this requirement.”

Question 14:

Both small and large organizations must now comply with the State's MWBE policy. However, because this is a new mandate, we are finding that our not-for-profit vendors are answering “no” to this compliance question. Therefore, rather than return all deficient applications, you should respond with the following external comment:

“NY State now requires all not-for-profit vendors to comply with its M/WBE policy. For more information about NY State's M/WBE Executive Order, and how it pertains to vendors wishing to do business with NY State Agencies, go here. Please review this

policy with members of your senior staff and Board to insure that your organization remains fully compliant with specified contractual goals.”

A sample M/WBE resolution can be found at: <http://grantsreform.ny.gov/Grantees>

For additional information regarding the Minority and Women-Owned Business Enterprise (M/WBE) Program please share the following information with your senior staff and Board of Directors: <http://www.osc.state.ny.us/procurement/mwbe.htm>

5.3 Financial Due-Dates

This section has been provided to grantees as direction on how to complete key fields when uploading financial documentation; the IRS990, Financial Statements and CHAR500.

IRS 990: Grantee must upload their most recently filed IRS 990. When they upload this document, they are asked to complete a number of fields:

Upload	<input type="text"/>	Browse...	*	
Last Filing Date	<input type="text"/>	Tax Year	<input type="text"/>	*
Date next 990 is Due	<input type="text"/>	Fiscal Year End Date	<input type="text"/>	*

Last Filing Date: This is the date that they filed the form. You can find it by looking next to the signature:

Part II Signature Block
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here: [Redacted Signature] Date: 2/8/15 **Date Filed**

Paid Preparer Use Only: Pr: [Redacted] Date: 2/8/15 Check if self-employed: PTIN: [Redacted] Firm's EIN: [Redacted] Phone no.: [Redacted]

NEW YORK, NY 10017

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Form 990 (2013)

Tax Year: This is the tax year they filed for. You can find it by looking at the top of the form:

Form **990** Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
 Department of the Treasury Internal Revenue Service
 OMB No. 1545-0047
2013 Tax Year
 Open to Public Inspection
 A For the 2013 calendar year, or tax year beginning JUL 1, 2013 and ending JUN 30, 2014
 B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Reinstated
 Application pending
 C Name of organization
 D Employer identification number
 E Telephone
 G Gross receipts \$ 465,221,384.
 H(a) Is this a group return for subordinates? Yes No
 H(b) Are all subordinates included? Yes No
 H(c) Group exemption number
 I Tax-exempt status: 501(c)(3) 501(c) ((Insert no.) 4947(a)(1) or 527
 J Website: G
 K Form of organization: Corporation Trust Association Other
 L Year of formation: 1963 M State of legal domicile: NY
 Part I Summary

Fiscal Year End Date: This is the day and month of the fiscal year end date. For example, if their fiscal year runs 7/1 – 6/30, they would enter 06/30 as the fiscal year end date.

Date Next 990 Is Due: This is the date that they need to have their next form filed by. For a straightforward form without any extensions, this is 18 months after the end-date of the fiscal year they are filing.

Form **990** Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
 Department of the Treasury Internal Revenue Service
 OMB No. 1545-0047
2013 Tax Year
 Open to Public Inspection
 A For the 2013 calendar year, or tax year beginning JUL 1, 2013 and ending JUN 30, 2014
 B Check if applicable:
 Address change
 Name change
 Initial return
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 Application pending
 C Name of organization
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 H(c) Group exemption number
 I Tax-exempt status: 501(c)(3) 501(c) ((Insert no.) 4947(a)(1) or 527
 J Website: G
 K Form of organization: Corporation Trust Association Other
 L Year of formation: 1963 M State of legal domicile: NY
 Part I Summary

Add 18 mo. For Date Next Due

Example: Fiscal year end date is June 30, 2014. The date the next form 990 is due is December 31, 2015.

If they were unable to file your 990 by the due-date and have requested an extension, they must upload your IRS form 8868, Automatic 3-Month Extension and enter the new due-date as indicated on the extension request form.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only
All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions. Sampe Organization	Employer identification number (EIN) or 00000000
	Number, street, and room or suite no. If a P.O. box, see instructions. 1 Main Street	Social security number (SSN)
File by the due date for filing your return. See instructions.	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Anytown, NY 10000	

Enter the Return code for the return that this application is for (file a separate application for each return) **0** **1**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ▶ **CPA and Co.**

Telephone No. ▶ **800-555-1212** Fax No. ▶

• If the organization does not have an office or place of business in the United States, check this box
 • If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)
 for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **August 15**, 20 **15**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ calendar year 20 **14** or

▶ tax year beginning _____, 20 _____, and ending _____, 20 _____.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. **20** \$

Should they need to request an additional 3-month extension, they must upload their IRS Additional Time to File Approval Letter.

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Department of the Treasury
Internal Revenue Service
Ogden UT 84201

For assistance, call:
1-877-829-5500
FAX 801-620-5670
Notice Number: CP211A
Date: June 3, 2013
Taxpayer Identification Number:
Tax Form: 990
Tax Period: December 31, 2012

116926

APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT ORGANIZATION RETURN - APPROVED

We received and approved your Form 990, Application for Extension of Time to File an Exempt Organization Return, for the return (filing date) indicated above. Your extended due date to file your return is **August 15, 2013**.

Ext. Due Date

When it's time to file your Form 990, 990-EZ, 990-PF or 1120-POL, you should consider filing electronically. Electronic filing is the fastest, easiest and most accurate way to file your return. For more information, visit the Charities and Nonprofit web at www.irs.gov/eo. This site will provide information about:

- The type of returns that can be filed electronically,
- approved e-File providers, and
- if you are required to file electronically.

In cases where IRS is not timely in responding to the second extension request, we will accept IRS Form 8868 Page 2, Additional (Not Automatic) 3-Month Extension.

Form 8868 (Rev. 1-2013) Page 2

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Enter filer's identifying number, see instructions.

Type or print Name of exempt organization or other filer, see instructions. Employer identification number (EIN) or Social security number (SSN)

Enter the Return code for the return that this application is for (file a separate application for each return) 011

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 522	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the Telephone No.
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until JULY 15, 2014

5 For calendar year SEP 1, 2012, or other tax year beginning SEP 1, 2012, and ending AUG 31, 2013

6 If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return

CHAR500: Grantees are to upload their most recently filed CHAR500. When they upload this document, they are asked to complete a number of fields:

CHAR500 OR CHAR410

Instructions:

- Select the Browse button to locate the file you wish to upload
- Complete all required fields (marked with an *)
- Select the Save button to complete the upload and save the data.

Not-for-profits must upload their most recent Annual Filing for Charitable Organizations (CHAR500) or Exemption Documentation from the NYS Charities Bureau. If an organization has not yet filed its first CHAR500, it will be instructed to upload their Registration Statement for Charitable Organizations (CHAR410).

Upload

Date Filed Date next Filing is Due

Date Filed: This is the date that they filed their form. You can find it by looking next to the signature:

2. Certification
 See instructions for certification requirements. Improper certification is a violation of law that may be subject to penalties.

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and reliable to this report.

President or Authorized Officer: _____ Date: 2/18/15 **Date Filed**

Chief Financial Officer or Treasurer: _____ Date: 2/18/15

Date next filing is due: This is the date that they need to have their next CHAR 500 filed by. As the Charities Bureau no longer requires written or emailed requests for extension to file, we are instructing grantees to input a Date Next Due that is the 15th day of the 23rd month from the FY end date (the length of time for regular filing, plus two 90-day extensions).

CHAR500
 NYS Annual Filing for Charitable Organizations
 www.CharitiesNYS.com

Send with fee and attachments to:
 NYS Office of the Attorney General
 Charities Bureau Registration Section
 120 Broadway
 New York, NY 10271

2013 Tax Year
 Open to Public Inspection

1. General Information
 For Fiscal Year Beginning (mm/dd/yyyy) 07/01/2013 and Ending (mm/dd/yyyy) 06/30/2014

Check if Applicable:
 Address Change
 Name Change
 Initial Filing
 Final Filing
 Amended Filing
 Reg ID Pending

Employer Identification Number (EIN): _____

Check your organization's registration category: 7A only EPTL only DUAL (7A & EPTL) EXEMPT

Find your registration category in the Charities Registry at www.CharitiesNYS.org

Add 22 mo. 15 days For Date Next Due

In the above example: The fiscal year is 2013 and the fiscal year end date is 6/30/14. Add 22 months, 15 days and enter the Date Next Due as 5/15/2016. For a fiscal year ended 12/31/2014, the Date next due will be 11/15/2016.

Fiscal Year End	NEW Due-date (automatic extension)	Example
January 31	December 15, following year	FYE 1/31/15; due 12/15/16
February 28	January 15, following year	FYE 2/28/15; due 1/15/17
March 31	February 15, following year	FYE 3/31/15; due 2/15/17
April 30	March 15, following year	FYE 4/30/15; due 3/15/17
May 31	April 15, following year	FYE 5/31/15; due 4/15/17
June 30	May 15, following year	FYE 6/30/15; due 5/15/17
July 31	June 15	FYE 7/31/15; due 6/15/17
August 31	July 15	FYE 8/31/15; due 7/15/17
September 30	August 15	FYE 9/30/15; due 8/15/17
October 31	September 15	FYE 10/31/15; due 9/15/17
November 30	October 15	FYE 11/30/15; due 10/15/17
December 31	November 15	FYE 12/31/15; due 11/15/17

If they are exempt from filing a CHAR500, grantees should upload the exemption documentation, and enter a far out date as the date next filing is due (e.g., 1/1/2040).

Audit Reviews/Findings: Grantees are to upload their most recent audit or financials. In most cases, the document will cover the tax period of the forms uploaded for the CHAR500 and the IRS 990. When they upload this document, they are asked to complete a number of fields.

Not-for-profits must upload their most recent CPA Review, Independent Audit, or A133 Audit and any material findings. If an organization does not have any of these, they will be instructed to upload a document with their budgets for the current and most recent fiscal year.

Upload

Date Completed Tax Year

Date next Audit is Due Fiscal Year End Date

Date Completed: This is the date the Audit/Review was completed.

Tax Year: This should match the tax year of the IRS 990 you uploaded.

Fiscal Year End Date: This is the day and month of the fiscal year end date. For example, if the fiscal year runs 7/1 – 6/30, they would enter 06/30 as the fiscal year end date.

Date Next Audit Is Due: This should match the date the next IRS 990 is due. Extensions for filing IRS 990 are also acceptable for the Audit/Review and should be uploaded to this section, and the extended due-date indicated.