New York State Prequalification System for Grants Contract Vendors

November, 2017
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1. Introduction

All vendors doing business with the State of New York must be prequalified in order to submit a competitive bid in response to a Request for Proposal issued by a State agency, or be considered for a contract renewal or contract amendment. The New York State Grants Gateway for vendors was implemented in May, 2013. Vendors are required to register not-for-profits with the Grants Gateway by completing, signing and notarizing the Registration Form. This Form can be found on our website at https://grantsreform.ny.gov. Once completed, the Form should be mailed to the Grants Reform Team for review.

As soon as the Registration has been approved, the vendor will be issued a Username and Password, granting access to the Grants Gateway and the Prequalification Application.

1.1 Overview

The Grants Gateway is part of a larger system of contract reform designed to assist providers of community-based services in competing successfully for State contracts. New York State Grants Reform is comprised of the new Grants Gateway in which not-for-profits can register with the State-wide online grants management system; the grants Portal, allowing nonprofits to search for upcoming RFP opportunities offered by State agencies; the Document Vault, a secure, web-based ‘filing cabinet’ in which not-for-profit vendors can easily store and share documents with multiple State Agencies and, eventually, outside funding partners; a multi-year Master Contract for Grants, which offers not-for-profits and State agencies a more simplified way to transact business once a grant contract is awarded; and the Prequalification Application for determining not-for-profit vendor eligibility to apply for State contracts.

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 which includes the Document Vault and a review process 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 State agencies 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. The Grants Gateway helps identify vendors that currently lack the capacity or the fundamental legal requirements to do business with the State. It is our goal to identify areas of weakness early on, and then assist these organizations so they can successfully compete for State contracts.

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, a not-for-profit bidder 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 it will be accessible to State partners and other permitted partners, thereby reducing redundant submissions.

1.3 Scope

Prequalification will be 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 Military & Naval Affairs
- 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

Prequalification and, correspondingly, all information stored in the Document Vault, has State-wide 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 aware that they are giving permission to the reviewing State agency 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 his or her possession or any other information obtainable from the agency or other government agencies. Further, Prequalification 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 will be treated as confidential and will 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 Prequalification Application after the final evaluation has been completed. While each vendor's Document Vault may contain a final notes and/or a report made by the Prequalification Specialist detailing his or her findings, it shall only contain the factual findings that led to the reviewing State agency’s final determination.
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 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.
4. Assessment Criteria

All Prequalification Applications will be evaluated against the criteria listed below.

4.1 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 your organization manages its workforce and operations, whether it has the basic capacity to carry out its mission, and whether it maintains a supportive work climate. To be sure, much of this information will be further explored in the context of a contract proposal you submit in response to a specific RFP. However, it is helpful to know if your organization has the basic structure in place to serve its constituents.

We fully appreciate that organizational capacity is linked to a not-for-profit 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. We understand that each question in this section contributes to a picture of overall organizational capacity. Prequalification Specialists will take into consideration the size of your organization and the length of time you have been in business. Once again, resource materials have been provided to direct you to templates and brief articles that will further guide you through the process.

<table>
<thead>
<tr>
<th>Capacity Questions</th>
<th>Rationale</th>
<th>Resources</th>
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<tbody>
<tr>
<td>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?</td>
<td>For large and more established organizations with operating budgets of greater than $750K – we expect there to be evidence of proper internal fiscal controls, such as a separation of financial functions. If this is not present in your agency, please provide an explanation of how</td>
<td>For more information on the elements necessary for a fiscally sound not-for-profit, including separation of duties, <a href="http://www1.nyc.gov/site/nonprofits/resources/financial-overight-starting-point.page">http://www1.nyc.gov/site/nonprofits/resources/financial-overight-starting-point.page</a>.</td>
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<tr>
<td>Question</td>
<td>Answer</td>
<td>Resource Information</td>
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<td>2. Does the organization have an automated payroll system?</td>
<td>Sound organizations will have an automated payroll system to minimize error. This can be an internally run payroll software program or an external payroll service, such as ADP. Not-for-profit is strongly encouraged to consider an automated payroll system.</td>
<td>For resource information on not-for-profit fiscal health, <a href="http://www1.nyc.gov/site/nonprofits/resources/starting-nonprofit.page">http://www1.nyc.gov/site/nonprofits/resources/starting-nonprofit.page</a>.</td>
</tr>
<tr>
<td>3. Does your organization use an electronic financial management system?</td>
<td>Sound organizations will have an electronic accounting system to minimize error. This can be a program as simple as QuickBooks or a program that is more sophisticated like FundEZ. The not-for-profit is strongly encouraged to consider an electronic financial management system.</td>
<td>For explanatory or resource information pertaining to the need for electronic accounting and possible accounting systems used by not-for-profit agencies, <a href="http://www1.nyc.gov/site/nonprofits/resources/get-help-financial-oversight.page">http://www1.nyc.gov/site/nonprofits/resources/get-help-financial-oversight.page</a>.</td>
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<td>4. <strong>Does the senior staff team meet on a regular and consistent basis?</strong></td>
<td>In a healthy organization, the senior management team should be meeting regularly to ensure that the organization is meeting its organizational and contractual objectives and resolving outstanding disputes. We understand that small organizations with a lean staff tend to “meet” informally, but you should explain how your senior staff is reviewing its contractual obligations in this informal environment.</td>
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<td>5. <strong>Does your organization conduct regular annual performance evaluations for staff?</strong></td>
<td>Organizations should conduct performance evaluations annually, at a minimum. Businesses invite legal problems if performance reviews are not conducted and documented on a regular basis. Please indicate whether evaluations are being conducted or suggest a plan for implementing such a review policy.</td>
<td>For a good example of a performance evaluation and professional development scheme for staff, <a href="http://www.crenyc.org/resources/tools-publications/">http://www.crenyc.org/resources/tools-publications/</a>.</td>
</tr>
<tr>
<td>6. <strong>Does your organization create professional development plans for the staff in conjunction</strong></td>
<td>Organizations should prepare professional development plans in conjunction with staff</td>
<td>For a good example of a performance evaluation and professional development scheme for</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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<tr>
<td>with staff performance reviews?</td>
<td>performance evaluations whenever possible. We strongly encourage this practice because it fosters staff retention and succession planning.</td>
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<td></td>
<td>Also, please consult with your local and online resources for free professional development opportunities, such as those offered through NY Community Trust, Support Center for Not-for-profit Management, NPCC,</td>
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<tr>
<td>7. Is staff required to participate in training annually?</td>
<td>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.</td>
</tr>
<tr>
<td>8. Identify the Information technology and telecommunications systems utilized by your organization. (Telephone, internet, email account, mobile device, facsimile).</td>
<td>There is no right or wrong answer here, just provide as much information as possible.</td>
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</table>

### 4.2 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.
Not-for-profits are required to upload various documents pertaining to its corporate structure or financial and charitable status. The documents requested are essential elements for any sound business, and are typically provided by any entity if it wishes to do business in and with the State of NY. Therefore, it is important that a not-for-profit organization demonstrate that it has the essential building blocks in place before applying for a State 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. 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.

Below, is a list of the documents required for the prequalification application, the rationale for the request, and some resource links that you can use in cases where your organization may be lacking certain key documents.

<table>
<thead>
<tr>
<th>1. Did a quorum of the board of directors meet regularly throughout the year in conformance with the organization’s bylaws?</th>
<th>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.</th>
<th>For guidance on how to view board management and oversight, <a href="http://www.nyc.gov/html/nonprofit/downloads/pdf/Board%20Development%20and%20Accountability.pdf?sm_au=iVVqFwwNS7j0V6">http://www.nyc.gov/html/nonprofit/downloads/pdf/Board%20Development%20and%20Accountability.pdf?sm_au=iVVqFwwNS7j0V6</a>.</th>
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<tr>
<td>2. Does the board of directors take and maintain minutes of all of its regular meetings, in compliance with its bylaws? (There is no</td>
<td>The taking of meeting minutes of all general board meetings is an important component of organizational record-</td>
<td>For a brief article on the need for and value of board minutes, <a href="http://www.nonprofitlawblog.com/board-meeting-minutes/">http://www.nonprofitlawblog.com/board-meeting-minutes/</a>.</td>
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<tr>
<td>1.</td>
<td>need to upload board minutes; simple state whether minutes are taken and logged.)</td>
<td>keeping and a way for boards to maintain and chronicle the not-for-profit’s legal structure.</td>
</tr>
<tr>
<td>3.</td>
<td>Is the frequency with which the board meets throughout the year consistent with your organization’s bylaws?</td>
<td>A 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.</td>
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<tr>
<td>4.</td>
<td>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.</td>
<td>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 should meet prior to the full Board meeting. While it is not required, a schedule of committee meetings over the past year would serve as evidence that your</td>
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<td>5.</td>
<td>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).</td>
<td>Please scroll through the box and check off all options that apply. An organization’s board of directors should review all of the indicated items if the Board is properly exercising its fiduciary duties. If your board reviews some but not all of these items, please explain why the board reviews some and not others.</td>
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<tr>
<td>6.</td>
<td>Does your board review financial statements on a regular and consistent basis? How frequently does the board or board committee review financial statements?</td>
<td>An organization’s board of directors should review financial statements at least quarterly and/or at every full board meeting. If your board does not conduct such reviews, then your board must be referred for board training. Prequalification will not be completed until evidence of training is shown, and a stronger financial review system is in place.</td>
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<tr>
<td>7.</td>
<td>Does the organization reconcile bank statements?</td>
<td>Bank statements should be reconciled</td>
</tr>
<tr>
<td>14 statements on a monthly basis? If not, how often are bank statements reconciled?</td>
<td>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.</td>
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<tr>
<td>8. State whether the organization has implemented internal fiscal controls by separating fiscal functions, for example.</td>
<td>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 authority are not the same individuals with fiscal signing authority. For guidance on how to put proper internal controls in place, <a href="http://www.nyc.gov/html/nonprofit/downloads/pdf/Internal%20Controls%20for%20Small%20Nonprofits.pdf?sm_au=iVVZPW25n73VBQF">http://www.nyc.gov/html/nonprofit/downloads/pdf/Internal%20Controls%20for%20Small%20Nonprofits.pdf?sm_au=iVVZPW25n73VBQF</a>, particularly the section on “Monitoring Internal Controls”, which speaks to separation of duties.</td>
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<tr>
<td>8A. Identify those individuals with contract signature authority.</td>
<td>Please list the names of all staff members and/or board members who are authorizees to sign contracts on behalf of the organization and state whether co-signature is required.</td>
<td></td>
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<tr>
<td>8B. Identify those individuals with check writing authority.</td>
<td>Please list the names of all staff members and/or board members</td>
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</tbody>
</table>
who are authorized to sign checks on behalf of the organization and state whether co-signature is required.

9. Please upload all licenses, accreditations, and permits required for your business in the Optional Documents section of the Document Vault.

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.

For a good article on the need for performance objectives and how management can use performance data most effectively, [link](http://www.rootcause.org/docs/Resources/Publications/SIR2012-Performance-Management-Primer.pdf).

11. Which of the following policies and procedures does your organization have in place?
   - CEO Compensation policy
   - **Anti-nepotism policy**
   - **Staff code of conduct**
   - Document retention policy
   - **Board of Directors Conflict of Interest Policy**
   - **Conflict of Interest Policy**
   - Continuity of Operations Plan
   - **Diversity Policy**
   - Emergency Preparedness Policy
   - **Whistleblower Policy**

For large organizations over $1M operating budget – we expect your organization to have all of the listed policies in place. If not, please provide explanation and indicate your intentions for adopting same.

For small organizations under $1M – We prefer that your organization have all of the listed policies in place but, at a

For websites that offer an array of sample policies, direct not-for-profits to [link](http://www.impactfoundry.org/models-samples-templates) – to name a few.
- Security Policy
- Succession/Transition Plan
- **Fiscal/Internal Controls Policy**
- Personnel Recruitment/Screening/Hiring Policy
- Personnel Retention and Retention Plan
- **Supervision and Performance Evaluation Policy**
- None of the Above

minimum, we are requiring that you have in place all of the policies listed in bold italics. If not, please provide an explanation and indicate your intentions for adopting same. (Exception – Whistleblower Policy is required only of large organizations over $1M.)

While we are not currently asking organizations to upload their policies, please be aware that you may be asked for copies of the policies you claim to have adopted at the time you apply for a State contract.

<p>| 12. Does your organization have a written and posted Equal Employment Opportunity (EEO) policy? | EEOC mandates official postings of EEO laws for organizations of greater than 14 employees and strongly recommends that the required posters be placed conspicuously throughout the worksite. The official EEOC poster includes the EEO regulations pertaining to the Equal Opportunity Act. For information on EEO guidelines and where to get the EEOC posters for the workplace, <a href="https://www1.eeoc.gov/employers/poster.cfm">https://www1.eeoc.gov/employers/poster.cfm</a>. |</p>
<table>
<thead>
<tr>
<th>Pay Act, which applies to ALL employers, regardless of size. Therefore, we recommend that all nonprofits post the EEO rules and the EEOC poster, or otherwise distribute them to staff, regardless of size.</th>
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<tbody>
<tr>
<td>If your organization uses a business name that is different from the one listed on your Certificate of Incorporation, then you must submit a Certificate of Assumed Name.</td>
</tr>
<tr>
<td>If your organization uses a business name that is different from the one listed on your Certificate of Incorporation, then you must submit a Certificate of Assumed Name.</td>
</tr>
<tr>
<td>The M/WBE policy is now required of NY State not-for-profit vendors and goals will be applied to NY State grants contracts.</td>
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<tr>
<td>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, please contact your State Agency. Also, if your organization does not currently have an M/WBE policy in place, please refer to the Grants Reform website and download a template Board Resolution that incorporates that new policy language. Simply review this with your board.</td>
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4.3 Organizational Integrity

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, invite further inquiry from the Prequalification Specialists or their supervisors within their State agency. 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 may not contribute to the well-being of the communities they serve.

As you read through the questions, you will see that some of the “Integrity” questions ask about circumstances that might relate to contract performance. We ask that you be honest and open about all past matters regarding any suspensions or disqualifications. An affirmative response will not necessarily render you ‘Not Prequalified’ on this application. We only wish to determine whether the circumstances surrounding past contract concerns rises to the level of an ethical infraction.

<table>
<thead>
<tr>
<th>Integrity Questions</th>
<th>Reasons</th>
<th>Resources</th>
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<tbody>
<tr>
<td>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?</td>
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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
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<td><strong>contract or had a bid rejected based upon a finding of non-responsibility by a government entity?</strong></td>
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<tr>
<td><strong>Within the past five years, have you or any of your affiliates been suspended, cancelled or terminated for cause on any contract?</strong></td>
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<td><strong>4. 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?</strong></td>
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<td><strong>5. 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?</strong></td>
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<td><strong>6. 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?</strong></td>
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7. 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?

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 indictment, grant of immunity, judgment, or conviction of any business-related conduct constituting a crime including, but not limited to,
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<tr>
<td>fraud, extortion, bribery, racketeering, price fixing, bid collusion or any crime related to truthfulness?</td>
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<tr>
<td>9. 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?</td>
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<tr>
<td>10. 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?</td>
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<tr>
<td>11. 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.</td>
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<tr>
<td>12. During the past 3 years, have you failed to file documentation</td>
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requested by any New York State agency, public authority or 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.

4.4 Required Documents

<table>
<thead>
<tr>
<th>Documents</th>
<th>Rationale</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Upload a copy of your certificate of incorporation, State Charter or equivalent document, depending on your organizational structure.</td>
<td>Only incorporated entities can prequalify and bid for contracts. If a not-for-profit vendor seeking prequalification is unincorporated because it is a program of a parent corporation, then the parent company or fiscal agent and not the unincorporated entity must prequalify. If the vendor is a newly formed</td>
<td>For an example or template of not-for-profit articles of incorporation, <a href="https://www.dos.ny.gov/forms/corporations/1511-f-l.pdf">https://www.dos.ny.gov/forms/corporations/1511-f-l.pdf</a>. And for instructions on filing, <a href="https://www.dos.ny.gov/forms/corporations/1511-f-l_instructions.pdf">https://www.dos.ny.gov/forms/corporations/1511-f-l_instructions.pdf</a>.</td>
</tr>
</tbody>
</table>
entity and has not yet incorporated, it should do so immediately. The DOS can incorporate an organization within 24 hours with its online expedited service.

Acceptable documents include:

- A Certificate of Incorporation issued by the NY State Dept. of State
- A Charter issued by the NY State Education Dept.
- A County Certificate of Incorporation and Bylaws for a religious organization
- Articles of Incorporation for a foreign corporation, PLUS the certification showing that the organization is registered to do business in NY State.

Also, if the organization name has changed since the time of incorporation, you must attach the Certificate of Assumed
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<td>We recognize that not every not-for-profit applies for 501(c) tax exemption. Therefore, if your organization has not filed for IRS tax exemption status, please provide a signed statement to that effect on organization letterhead. If your organization has filed with the IRS and the determination is pending, submit verification of your pending application with the IRS.</td>
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<td>If your organization has requested an exemption, please upload all documentation either requesting or granting the exemption status. For further guidelines on filling out the date on the prequalification application in the Gateway, refer to the Filing Date Guidelines attached.</td>
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<tr>
<td>4.</td>
<td>Upload the most recent audited financial statement, financial review, or internal financials and findings. In NY, organizations with revenues greater than $750K must provide an independently audited financial statement. Organizations with revenues of less than $750K but greater than $250K, must provide a financial statement reviewed by a CPA. Organizations with revenues of less than $250K need only provide a copy of the most recent internal financial report. If your organization does not have an audited financial statement or CPA review for the past fiscal year, then please provide a statement explaining the delay, and</td>
<td>For more information on how to read an audited financial statement or financial review and what to look for, <a href="http://www.gmnetwork.org/sites/default/files/resources/Reading%20Nonprofit%20Financial%20Statements-How%20to%20Be%20a%20Financial%20Detective.pdf?sm_au_=iVV3VtjsRjMT5kqM">http://www.gmnetwork.org/sites/default/files/resources/Reading%20Nonprofit%20Financial%20Statements-How%20to%20Be%20a%20Financial%20Detective.pdf?sm_au_=iVV3VtjsRjMT5kqM</a>.</td>
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submit a copy of the organization’s financial report for the past fiscal year.

**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 internal financial report reviewed by the board. This is the same financial disclosure requirement for prequalification that applies to organizations with revenues of less than $250,000.

<p>| 5. Upload a copy of the CHAR 500 or CHAR 410. | All not-for-profit organizations required to register with the Attorney General’s Charities Bureau must register by filing a CHAR410 and file the CHAR 500 annually with the NY State Charities | For a quick break down on the CHAR 500 requirements and for a link to the Attorney General’s website for the CHAR 410 or CHAR 500 forms, <a href="https://www.charitiesnys.com/RegistrySearch/search_faq.jsp">https://www.charitiesnys.com/RegistrySearch/search_faq.jsp</a> |</p>
<table>
<thead>
<tr>
<th>Bureau. Please upload your most recent report.</th>
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<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

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<tr>
<th>6. Upload a copy your Board Profile including the names of your Board members, a brief profile of each one, stating their employer or affiliation, years on the board, office held and Committee participation.</th>
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<tbody>
<tr>
<td>Under N-PCL, a not-for-profit organization, upon formation, must name a minimum of 3 individuals to serve as its initial board members. Ideally, 5-15 individuals should be identified to serve on the organization’s board of directors.</td>
</tr>
<tr>
<td>Please provide a profile of each Board member including the information requested. Full resumes</td>
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</table>

<p>| For the basic rules on establishing a not-for-profit corporation, including the rules pertaining to board membership, <a href="https://www.dos.ny.gov/forms/corporations/1511-f_l_instructions.pdf">https://www.dos.ny.gov/forms/corporations/1511-f\_l_instructions.pdf</a>. |
| And for a template of a basic board profile that you can use as a guideline, please go to the resource section on the website. |</p>
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<tbody>
<tr>
<td>7. Upload Senior Leadership Resumes or CVs. Organizations must upload copies (submitted together in a single pdf) of all of the senior or key employees in the organization. These individuals might include the Executive Director, the Financial Officer, and the top Program Director.</td>
<td>It is important that our not-for-profit partners are led by effective managers with the skills to deliver the services for which they are seeking a State contract, to competently manage a staff, and to efficiently administer government contracts. Please provide resumes or CVs of all key employees who manage the day-to-day operations of the organization. These employees may include such people as the Executive Director (or CEO), the Financial Director (or CFO), the Assistant Executive Director (or COO), and/or lead Program Manager.</td>
</tr>
<tr>
<td>8. Upload a copy of your corporate bylaws, adopted by your organization’s board of directors.</td>
<td>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. For a template of not-for-profit bylaws, <a href="https://nonprofitally.com/start-a-nonprofit/nonprofit-bylaws/">https://nonprofitally.com/start-a-nonprofit/nonprofit-bylaws/</a>.</td>
</tr>
</tbody>
</table>
5. Assessment Process

5.1 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. For those vendors having a pre-existing contractual relationship with New York State, the reviewing Agency will be that Agency having the most contracts with the vendor during the preceding fiscal year. For new vendors, the Application will be assigned to the State Agency that the vendor has identified as being its most likely funding partner.

5.2 Assessment of Applications

The Prequalification Specialist of the reviewing State agency has been asked to assess each vendor prequalification application 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 Form, 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.

5.3 Chain of Review

1. The Prequalification Specialist’s Role

Each Prequalification Application will be reviewed and evaluated by the agency Prequalification Specialist in accordance with this Manual. Specialists will be responsible to contacting vendors in the event that information is missing from the Application or if clarification is needed to complete the review process.

Upon completion of the review, the Prequalification Specialist will affirm that all questions have been answered and the necessary documents provided. If the review is successful, the vendor will be notified that the organization is Prequalified for a period of
three (3) years, absent any violations or offenses that might be cause for Suspension. (For more information on Suspensions, see Section 5.8, below.)

2. The Agency Executive Deputy’s Role

If the Prequalification Specialist believes that further review or an outside opinion is required before a final decision can be reached, a vendor’s application might be referred to the State Agency’s Executive Deputy. In these cases, Executive Deputy will 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, or, if necessary, the Executive Deputy can confer with the Prequalification Officer or other partnering State agencies to discuss the matter to help him or her arrive at a decision.

The Executive Deputy shall make every effort to conclude his or her review with 14 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 4.9 and 4.10, 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.

**5.4 Notification**

Vendors will be notified through the Grants Gateway, by email of the outcome of their application for prequalification. Vendors are also encouraged to login to the Grants Gateway regularly after submission of the Prequalification Application to check on the status of the submitted application.

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

**5.5 Prequalification 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 form noting all 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 files applications are later reviewed on appeal. A Prequalification Specialist’s records will become helpful to the reviewing team.

**5.6 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 all information pertaining to its financial, legal, organizational capacity and , as needed, or following a significant change in structure, management, or in any of the areas listed above.

**5.7 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;
• the 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 which may present a conflict with the information provided during the prequalification stage.

5.8 Suspension of Prequalification Status

In rare instances, the reviewing or other State agency may cancel a not-for-profit vendor’s prequalification status barring it from competing for State contracts when the State agency finds 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 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.

5.9 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.
Appendix 2: Prequalification Application Review Process
Appendix 2: Financial Due-Dates

This section provides direction on how to complete key fields when uploading your financial documentation; the IRS990, Financial Statements and CHAR500. In most cases, the three documents will have the same due-dates.

**IRS 990:** You are to upload your most recently filed IRS 990. When you upload this document, you are asked to complete a number of fields:

![IRS 990 Form](image)

- **Last Filing Date:** This is the date that you filed your form. You can find it by looking next to the signature:
**Tax Year:** This is the tax year you are filing for. You can find it by looking at the top of your form:

![Image of Form 990](image)

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

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

![Image of Form 990](image)
**Example:** Fiscal year end date is June 30, 2014. The date the next form 990 is due is December 31, 2015.

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

### Table: Automatic 3-Month Extension of Time

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<th>Return Code</th>
<th>Application is For</th>
<th>Return Code</th>
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<tbody>
<tr>
<td>Form 990 or Form 990-EZ</td>
<td>01</td>
<td>Form 990-T (corporation)</td>
<td>07</td>
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<tr>
<td>Form 990-SL</td>
<td>02</td>
<td>Form 1041-A</td>
<td>06</td>
</tr>
<tr>
<td>Form 4720 (individual)</td>
<td>03</td>
<td>Form 4720 (other than individual)</td>
<td>06</td>
</tr>
<tr>
<td>Form 990-PS</td>
<td>04</td>
<td>Form 5227</td>
<td>10</td>
</tr>
<tr>
<td>Form 990-T (tax-exempt; 401(a) or 403(b) trust)</td>
<td>05</td>
<td>Form 990T</td>
<td>11</td>
</tr>
<tr>
<td>Form 990-T (trust other than above)</td>
<td>06</td>
<td>Form 9970</td>
<td>12</td>
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- The books are in the care of [CPA] and Co.

**Telephone No.** 990-995-1212  **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). If this is for the whole group, check this box. If it is for a part of the group, check this box and attach a list with the names and social security numbers of the members of the group on.

1. Requested extension is for a corporation required to file Form 990-T extension of time until **August 15, 2015**, to file the exempt organization return for the organization named above. The extension is for the organization's calendar year 20__ and ending

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

3. If this application is for Forms 990-O, 990-PF, 990-T, 4720, or 5030, enter the tentative tax year and any additional data. See instructions.
Should you need to request an additional 3-month extension, you must upload your IRS Additional Time to File Approval Letter.
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.

CHAR500: You are to upload your most recently filed CHAR500. When you upload this document, you are asked to complete a number of fields:
**Date Filed:** This is the date that you filed your form. You can find it by looking next to the signature:

**Date next filing is due:** This is the date that you need to have your next CHAR 500 filed by. As the Charities Bureau no longer requires written or emailed requests for extension to file, please input your Date Next Due 22 months and 15 days (the length of time for regular filing, plus two 90-day extensions) in the future.
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.

Audit Reviews/Findings: You are to upload your 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 you upload this document, you are asked to complete a number of fields.

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 your fiscal year end date. For example, if your fiscal year runs 7/1 – 6/30, you would enter 06/30 as your 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.