

New York State
LEGISLATIVE
MEMBER ITEM PROGRAM
2009



NEW YORK STATE DIVISION OF HOUSING & COMMUNITY RENEWAL
OFFICE OF COMMUNITY DEVELOPMENT

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NEW YORK STATE DIVISION OF HOUSING & COMMUNITY RENEWAL
OFFICE OF COMMUNITY DEVELOPMENT
COMMUNITY SERVICES BUREAU
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Legislative Member Item Program Manual

Program Summary

The Legislative Member Item Program (MIP) is funded by the New York State Legislature to support the efforts of the not-for-profit companies, municipalities or other organizations found eligible by the Legislature.

The Division of Housing and Community Renewal's (DHCR) Community Services Bureau administers the MIP awards relating to housing, community development, community renewal, preservation, or promotional activities such as newsletters and community meetings. MIP funds are generally used for administration, planning, capital funds, and other costs necessary for initiating or continuing specified community activities. All recipients of MIP awards must comply with the procedures set forth in this manual.

This manual addresses the items listed in the Division of the Budget Bulletin B-220, "Administration of Local Grant Awards". This manual contains four sections: general requirements applicable to all awardees; procedures for awards \$25,000 or under, procedures for awards in an amount more than \$25,000 but less than \$50,000; and procedures for awards \$50,000 and over.

If, after reviewing this manual, an award recipient has questions regarding the administration of the MIP, the Community Services Bureau (CSB) should be contacted. They can be reached at:

NYS Division of Housing and Community Renewal
Community Services Bureau
38-40 State Street
Albany, New York 12207
518-473-3895

Highlights

DHCR has established new policies for administering the Legislative Member Item Program. Please review this Manual carefully to understand these important changes. The following is a summary of the major changes:

1. Awardees of \$50,000 and above will be allowed two years to complete all contract activities.
2. All contract awards will have a commencement date of April 1st of the year of the legislative appropriation.
3. CSB will conduct site visits as necessary. Awards \$50,000 and above may have at least one site visit.
4. Final payments will require submission of a Final Report which details how the award was spent.

5. Insurance is not required for awards of less than \$50,000.
6. Agency Audits or Cost Certifications are required for awards \$50,000 and above and must be kept on file by your organization.
7. Awards up to \$49,999 will receive Voucher Agreements.
8. The disbursement process now requires all payments of \$500 or more to receive a waiver from the NYS Division of Budget (DOB) before the payment is released.
9. A Certification Appendix will be included in all award packages. Award recipients must submit to CSB a completed and notarized Certification Appendix.
10. Additional Contract Language (Appendix A1A) page will be completed by CSB and sent to you for your review. Award recipients must submit this form to CSB with your completed package.
11. For contracts above \$50,000, the award recipient will be required to show proof of insurance for Workers' Compensation and Disability Benefits and they must be submitted with the Vendor Responsibility Form.
12. Charities Registration will be required for all awards of \$15,000 or more. If an award has an administering organization, but you would like to have the funds sent directly to the award recipient, the Charities Registration requirements must be completed. You can access this information by going to the New York State Attorney General's Charities Bureau website at: http://bartlett.oag.state.ny.us/Char_Forms/search_charities.jsp
13. All forms and contract documents can be found on the DHCR website at www.nysdhcr.gov. Click on Form's and Applications, click on Program Specific Forms, and then scroll down to the Legislative Member Item Program (MIP).

General Requirements Applicable To All Awardees

APPLICATION PROCESS

Notification

Upon receipt of notification of a MIP award from the Senate Finance Committee or the Assembly Ways and Means Committee, CSB will prepare and mail an award notification letter containing the appropriate application package to each award recipient. The notification letter will include a CSB contact person and telephone number to answer any questions regarding the Member Item Award.

First Time Awardees

Before receiving any MIP funds, an award recipient must demonstrate that it exists as a corporation, a municipality, an unincorporated organized group or other entity found eligible by the Legislature. If the award recipient is incorporated, the incorporation papers must demonstrate that the award recipient is authorized to perform the proposed activities.

All first time award recipients must submit the following information about the organization to CSB:

1. The award recipient's legal status including a certificate of incorporation and bylaws;
2. A list of Board of Directors and their residences, if appropriate;
3. A Federal Tax ID number; and
4. A New York State Charities Registration number, if appropriate.

If the award recipient is not incorporated, it is necessary to submit a written explanation of:

1. How long the organization has been in existence;
2. The activities the organization performs; and
3. Names and residences of organization officers, staff and/or volunteers.

Charities Registration

All award recipients must comply with the charities registration and filing requirements under Article 7-A of the Executive Law and administered by NYS Office of the Attorney General Charities Bureau. Award recipients must file for a charities registration number if the organization solicits or receives contributions in excess of \$25,000 annually or pays for fund-raising functions, regardless of the amount of contributions solicited or received. If your organization received less than the \$25,000 threshold, the award recipient must apply for a charities registration exemption. If the award recipient has applied but not yet received a charities registration number, a copy of the application may be accepted by DHCR. The forms required are the Charities Registration 500 Instructions, Registration Statement, CHAR410, and Request for Charities Registration Exemption Schedule E. These documents will be included in all award packages.

Information regarding Charities Registration is available at the New York State Attorney General's Charities Bureau web site: http://bartlett.oag.state.ny.us/Char_Forms/search_charities.jsp . Award recipients can find information about the registration process and regulations, as well as search for their own organization on the Charities Bureau Registry Search.

Conflict of Interest

The award recipient is responsible for identifying and notifying CSB of any potential conflict of interest arising under the Conflict of Interest provisions contained in the Appendix I of this manual. The recipient must disclose, in writing, any potential conflict of interest to CSB. All voting members of the Board of Directors and the Executive Director are required to certify compliance with the conflict of interest provisions. These files must be kept by the award recipient and be available for inspection by DHCR.

The award recipient must certify that all consultants and sub-grantees paid with MIP funds are in compliance with the Conflict of Interest provisions and their certifications must be available for inspection by DHCR.

If DHCR determines that a conflict of interest may exist, then a determination will be requested from the appropriate legislative finance committee.

USE OF AWARD FUNDS

Work Plans

The work plan must describe what will be accomplished with the award funds. The work plan must conform to the description of the award provided by the Legislature.

Eligible Expenses

MIP funds can be used for, but are not limited to:

- payment of salaries and wages to employees of the award recipient who are involved in providing MIP activities;
- consultant and professional fees for planning and performing MIP activities;
- any cost and expense directly related to the employees, consultants, and professionals as presented in the MIP activities;
- costs of acquisition, construction, repair, renovation, rehabilitation or demolition; or
- community improvement, development or preservation activities and other activities as set forth in the approved legislative initiative form.

Ineligible Expenses

The following are examples of expenses that are ineligible under the MIP:

- entertainment;
- contributions to other organizations; or
- lobbying or political activities.

More information on the eligibility of expenses may be obtained by contacting the Community Services Bureau.

MANAGEMENT OF AWARD FUNDS

Interest

Any interest earned on the MIP funds may be retained by the award recipient but may only be used for housing related activities as stated in the Legislative Initiative Form.

RECORD KEEPING REQUIREMENTS

Record Keeping

All MIP award recipients, or any entity that administers the award on behalf of an award recipient, must establish and maintain complete and accurate general and subsidiary ledgers, records, documents, accounts and other evidence directly pertinent to performance under this contract. The records must be retained for the balance of the calendar year in which they were made and for six (6) additional years thereafter.

The related records and documentation must be maintained in the award recipient's office and must be available for inspection and review by DHCR during normal business hours. The records will include, but not be limited to, the following:

- Legislative Member Item Program records (property, personnel, financial records, and documentation of MIP activities);
- Accounting records (cash receipts and disbursement journals, general and subsidiary ledgers); and
- Time records of all employees and consultants receiving salaries, wages, and compensation who are involved in providing MIP activities.

All records must be maintained in accordance with generally accepted accounting standards and DHCR requirements. All records are subject to review by DHCR.

REPORTING REQUIREMENTS

Work Plan Modifications/Change in Purpose

The MIP award is to be used solely for the purpose that is delineated on the Legislative Initiative Form. This description becomes part of the contract work plan.

If, during the term of a contract it is determined that an award recipient will not be able to complete all contract work plan activities or if the nature of the activities change, then a work plan modification (CSB Form MIP Work Plan Mod) must be submitted. If the proposed modification does not support the legislative intent of the award, then approval must be obtained from the appropriate Senate Finance Committee or Assembly Ways and Means Committee. Approval by the Senate Finance Committee or the Assembly Ways and Means Committee must be obtained prior to processing the changes. CSB will be happy to assist you in securing necessary approval from the appropriate finance committee.

Contract Extensions

A request for a contract extension must include the following:

1. a written explanation of the need for the extension must be submitted prior to the expiration of the contract;
2. submit an updated board resolution;
3. submit a completed Appendix X; and

4. submit an updated copy of the Vendor Responsibility Form; this will include a copy of the workers' compensation and disability insurance certificates meeting DHCR requirements.

A time extension may be requested if needed to complete the voucher or contract activities or to expend the entire contract amount.

Change of Address or Signatory

If the award recipient's address or signatory changes during the contract term, a letter detailing the change must be submitted to CSB notifying of this change in a timely manner.

General

Award related reporting requests may be made by CSB at any time during or after the contract term.

Defaults

If the award recipient is not in compliance with any of the terms of the MIP award, CSB will issue a default letter. The recipient will then have thirty (30) days to satisfy the default.

Failure to submit an acceptable reply will result in the notification to the Senate Finance Committee and/or the Assembly Ways and Means Committee of the award recipient's non-compliance with DHCR application process and additional awards may not be processed and payments will be placed on hold.

COMPUTERIZATION

OmniForm

All of the major documents which award recipients must submit to CSB are electronic forms using the OmniForm software. Organizations which have the OmniForm software may choose to complete their MIP forms using OmniForm. If an award recipient needs assistance with the completion of a form, they should contact CSB.

DHCR Website/Internet

DHCR maintains an Internet Website, www.nysdhcr.gov, which is a complete guide to the programs, divisions and services of the agency. Member Item Program information may be accessed for viewing or downloading forms or applications by going to the DHCR website at: www.nysdhcr.gov, select Forms and Applications, click on Program Specific Forms, the go to the Legislative Member Item Program (MIP). Forms may be downloaded as a "PDF" file for award recipients that require a hard copy.

Office of the State Comptroller (OSC)

Information on payments may be tracked using the following website: <https://wwe1.osc.state.ny.us/pay>. This website can be used for current and/or historical information. A check number or a direct deposit number is required to access information.

Awards Up To \$25,000

Award Procedure

The award recipient will receive:

1. Voucher Agreement letter ;
2. State of New York Agreement (including Appendix A and A1);
3. Certification Appendix for awards less than \$50,000 ;
4. Additional Contract Language (Appendix A1A) completed by CSB;
5. Legislative Intent Form;
6. NYS Standard Voucher;
7. Final Report form; and
8. Charities Registration documents including Instructions CHAR500, Registration Statement CHAR410 and Request for Registration Exemption, Schedule E. if required.

The award recipient must sign the voucher agreement letter, which constitutes the contract; complete and have notarized the Certification Appendix; CSB will complete the Additional Contract Language (AIA); and complete the NYS Standard Voucher according to the directions listed in the voucher agreement letter. All voucher agreements will be for a period of one (1) year.

The award recipient must complete and submit the voucher agreement package with all required documents to CSB within thirty (30) calendar days of receipt.

If the award recipient submits an incomplete package, CSB will issue a default letter identifying the missing items. The award recipient will have thirty (30) days to resolve this default. If a voucher agreement package or requested documentation is not submitted, or the default is not resolved, the appropriate Senate Finance Committee and/or the Assembly Ways and Means Committee will be notified of the award recipient's non-compliance with the DHCR application process and additional awards may not be processed.

Disbursements

The disbursement procedure for the voucher agreements is a one step process. The award recipient must submit the voucher agreement and standard voucher to CSB. A line item budget must be included under Part 6 of the standard voucher. All documents must be signed by a designated signatory.

The disbursement process now requires all payments of \$500 dollars or more to receive a waiver from the Division of the Budget (DOB) prior to payments being released. No funds will be released if the award recipient has an unresolved default under any DHCR program.

Final Reports

A final report (CSB Form MIP Final Report for Vouchers) is due to CSB upon completion of the program activities, but no later than sixty (60) days after the end of the voucher agreement term. The final report must indicate how the funds were spent by comparing the budget to actual expenses and it must include the program activities accomplished. Copies of documentation supporting the expenses listed in the final report (receipts, cancelled checks, allocation plan, and general ledger record) must be kept on file by the award recipient. All supporting documentation is subject to review by CSB.

If the award recipient fails to submit a final report, CSB will notify the appropriate Senate Finance Committee or the Assembly Ways and Means Committee of the award recipient's failure to comply with program requirements. If the award recipient still does not comply, the matter may be forwarded to the NYS Office of the Attorney General for appropriate action.

Awards from \$25,001 up to \$49,999

Award Procedure

The award recipient will receive the following:

1. Voucher Agreement letter;
2. State of New York Agreement (including Appendix A and A1);
3. Certification Appendix for awards less than \$50,000;
4. Additional Contract Language (Appendix A1A) completed by CSB;
5. Legislative Intent Form;
6. NYS Standard Vouchers;
7. Disbursement Request form ;
8. Final Report form; and,
9. Charities Registration documents including: Instructions CHAR500, Registration Statement Char410, and Request for Registration Exemption, Schedule E, if award recipient is not in compliance.

The award recipient must sign the voucher agreement, which constitutes the contract; complete and have notarized the Certification Appendix; include the CSB completed Additional Contract Language (AIA); and complete the NYS Standard Voucher (with accompanying Disbursement Request Form) according to the directions listed in the voucher agreement letter. All voucher agreements will be for a period of one (1) year.

The award recipient must complete and submit the voucher agreement package with all required documents to CSB within thirty (30) calendar days of receipt.

If the award recipient submits an incomplete package, CSB will issue a default letter identifying the missing items. The award recipient will have thirty (30) days to resolve this default. If a voucher agreement package or required documentation is not submitted, or the default is not resolved, the appropriate Senate Finance Committee and/or the Assembly Ways and Means Committee will be notified of the award recipient's non-compliance with the DHCR application process and additional awards may not be processed and further payments will be placed on hold.

Disbursements

There are three types of disbursements: advance, progress and completion. You must submit your first request for disbursement with your Voucher Agreement package.

An advance payment of up to 25% the total award amount may be requested.

Progress payments may be requested as work proceeds. But it is anticipated that no more than three (3) payments will be made for this agreement. Total payments (advance and progress) may not exceed 90% of the total award.

Final payment, or 10% balance of the award, will be released only when all activities have been completed and the final report has been submitted and approved by CSB.

The disbursement process now requires all payments of \$500 dollars or more to receive a waiver from the Division of Budget (DOB) prior to the payment being released.

DHCR may approve an alternative disbursement schedule if the legislative intent requires the award recipient to provide services or a program that must be paid immediately upon receipt, and the award recipient has no other funds available to advance payment. Undue hardship must be certified by an official of the organization and submitted to CSB on the "MIP Certificate of Hardship" form, found on the DHCR website, www.nysdhcr.gov.

Final Reports

A final report (CSB Form MIP Final Report for voucher agreements) is due upon completion of program activities, but no later than sixty (60) days after the end of the contract term. Upon receipt, the final completion payment will be disbursed. This report requires a comparison of budget to actual expenses. Copies of documentation supporting the expenses listed in the final report (receipts, cancelled checks, allocation plan, and general ledger record) must be kept on file by the award recipient. All supporting documentation is subject to review by CSB.

If the award recipient fails to submit a final report, DHCR will notify the appropriate Senate Finance Committee or the Assembly Ways and Means Committee of the award recipient's failure to comply with program requirements. If the award recipient still does not comply, the matter may be forwarded to the NYS Office of the Attorney General for appropriate action.

Awards \$50,000 and over

Application and Contract Packages

The award recipient will receive an application and contract package from DHCR. This package will include the following:

1. Award Notice;
2. The Application (CSB Form MIP Application);
3. Contract Face Page;
4. Contract Signature Page;
5. State of New York Agreement (including Appendix A and A1);
6. Vendor Responsibility Questionnaire which will include a copy of the workers compensation and disability insurance certificate, meeting DHCR requirements;
7. Certification Appendix for awards \$50,000 and above;
8. Additional Contract Language (Appendix A1A) completed by CSB;
9. Sample Board Resolution;
10. Legislative Intent Form;
11. Disbursement Request form;

12. Final Report form;
13. NYS Standard Vouchers;
14. Appendix A2 - Boundaries, Appendix B -Budget, Appendix C - Payment and Reporting Schedule, Appendix D – Contract Work Plan; and
15. Charities Registration documents including instructions CHAR500 and the Registration Statement CHAR410, if award recipient is not in compliance.

The award recipient must complete the application which will include Appendix B (budget) and Appendix D (work plan activities); Contract Face Page; complete and have notarized the Contract Signature Page; complete and have notarized the Vendor Responsibility Questionnaire; complete and have notarized the Certification Appendix; include in this package a CSB completed Additional Contract Language document; complete Appendix A2 (description of neighborhood/area boundaries), and complete the NYS standard voucher with accompanying Disbursement Request Form. All contracts will be for a period of two (2) years and will begin on April 1st of the year of the legislative appropriation.

The award recipient must complete and submit the contract package with all required documents to CSB within thirty (30) calendar days after receipt.

If the award recipient submits an incomplete package, CSB will issue a default letter identifying the missing items. The award recipient will have thirty (30) days to resolve this default. If an application and contract or required documentation is not submitted, or the default is not resolved, the appropriate Senate Finance Committee and/or the Assembly Ways and Means Committee will be notified of the award recipient's non-compliance with the DHCR application process and additional awards may not be processed and further payments will be placed on hold.

Insurance Requirements

During the term of the contract the award recipient must provide and maintain insurance with an insurer licensed to transact business in the State of New York. Proof of insurance must be available for DHCR review.

Each policy must provide that the insurers will give DHCR **30** day notice to DHCR of cancellation, non-renewal or change in coverage.

Liability Insurance

Comprehensive General Liability - with a minimum of liability of \$500,000 combined single limit (bodily injury and property damage), containing the following coverage:

- Premises and operations;
- Independent Contractors;
- Contractual liability; and
- Liability for owned, non-owned and hired vehicles.

Fire and Casualty Insurance

- For real and personal property owned by the organization.

Blanket Position Fidelity Bond

- Amount of coverage equal to the amount of the largest anticipated disbursement; and
- DHCR must be listed as loss payee/obligee.

Workers' Compensation and Disability Benefits Insurance

Workers' Compensation and Disability Benefits Insurance must be provided by the employer for all employees performing work related to the project. Workers' Compensation and Disability Benefits Insurance will be required with the submission of the Vendor Responsibility Form.

Disbursements

There are three types of disbursements: advance, progress and completion. You must submit your first disbursement request with your contract package.

An advance payment of up to 25% the total award amount may be requested.

Progress payments may be requested as necessary. But it is anticipated that there will be no more than four (4) payments will be made on this contract. Total payments (advance and progress) may not exceed 90% of the total award.

Final payment, or 10% balance of the award, will be released only when all activities have been completed and the final report has been submitted and approved by CSB.

The disbursement process now requires all payments of \$500 dollars or more to receive a waiver from the Division of Budget (DOB) before being released.

DHCR may approve an alternative contract disbursement schedule if the legislative intent requires the award recipient to provide services or a program that must be paid immediately upon receipt, and the award recipient has no other funds available to advance payment. Undue hardship must be certified by an official of the organization and submitted to CSB on the "MIP Certificate of Hardship" form found on the DHCR Website, www.nysdhcr.gov.

Final Reports

A final report (CSB Form MIP Final Report for Contracts) is due upon completion of program activities, but no later than sixty (60) days after the end of the contract term. Upon receipt, the final completion payment will be disbursed. This report requires a comparison of budget to actual expenses. Copies of documentation supporting the expenses listed in the final report (receipts, cancelled checks, allocation plan, and general ledger record) must be kept on file by the award recipient. All supporting documentation is subject to review by DHCR.

Financial Reports

Awardees must retain on file an Agency Audit or Cost Certification. If submitting a Cost Certification, please review the New York State Housing Trust Fund Corporation's Capitol Programs Manual section on Cost Certifications. Agency Audits must follow generally accepted audited standards. These documents should be completed one hundred and twenty (120) days after the end of your fiscal year.

If the award recipient fails to submit a final report or complete a financial report, CSB will notify the appropriate Senate Finance Committee or the Assembly Ways and Means Committee of the award recipient's failure to comply with program requirements. If the award recipient still does not comply, the matter may be forwarded to the NYS Office of the Attorney General for appropriate action.

APPENDIX I

CONFLICT OF INTEREST

Section 2601.3 Conflict of Interest.

The following are restricted from holding voting board membership, serving as officers of the Company and/or in staff management positions, except where otherwise required by statute:

- a. The following are restricted from holding voting board membership, serving as officers of the Company and/or in staff management positions, except where otherwise required by statute:
 1. State legislators and members of their staffs who hold policy making positions;
 2. commissioners and chairpersons of State departments and their deputies and assistants (including members or directors of public authorities, public benefit corporations, boards, commissions and councils);
 3. staff of the Division of Housing and Community Renewal;
 4. statewide elected officials, including the Governor, Lieutenant Governor, Attorney General and Comptroller, and members of their staffs who hold policy making positions;
 5. chief executive officials and members of the legislative bodies of counties having a population of 275,000 or more, within which the project is located, or cities, towns and villages having a population of 25,000 or more, within the county in which the project is located, except where board membership for such persons is mandated by other relevant federal or state statutes; and
 6. political party chairpersons, party organization leaders and members of their executive committees in the state, counties having a population of 275,000 or more, within which the project is located, or cities, towns and villages having a population of 25,000 or more, within the county in which the project is located.
- b. The following shall not receive any compensation whatsoever from a recipient organization, directly or indirectly, for services or goods rendered to such organization unless the goods or services are provided pursuant to an award or contract let, unless otherwise required, after a good faith effort to obtain competitive prices is made, the results of which were reported in writing prior to the award of the contract and were approved by the Division of Housing and Community Renewal which approval shall be based on comparison to arm's length transactions and the needs of the project:
 1. state legislators and members of their staffs who hold policy making positions;
 2. commissioners and chairpersons of state departments and their deputies and assistants (including members or directors of public authorities, public benefit corporations, boards, commissions and councils);
 3. staff of the Division of Housing and Community Renewal;

4. statewide elected officials, including the Governor, Lieutenant Governor, Attorney General and Comptroller, and members of their staffs who hold policy making positions;
5. chief executive officials and members of the legislative bodies of counties, cities, towns and villages, in which county the project is located;
6. political party chairmen, party organization leaders and members of their executive committees in the state, counties, cities, towns and villages in which county the project is located;
7. voting board members and officers, except for salary payments of officers which shall require the approval of the commissioner which approval shall be granted if the duties assigned to the officer correspond to duties normally assigned to an executive director;
8. staff members of the recipient organization, except for salary payments;
9. the immediate families of persons in paragraphs (1)-(8) of this subdivision; and
10. any firm, association, corporation or partnership in which any individual listed in subdivision (a) or (b) of this section holds an interest of ten percent or more.

These provisions apply to all persons and entities whether or not their involvement with, or compensation from, a recipient organization is related to the project funded pursuant to this program.

Last updated on June 2009