

<b>Dutchess County Manual of Policies and Procedures</b>	<b>Contracted Services Policies and Procedures</b>
<b>Applies to: contractual agreements to which it is attached</b>	<b>Policy xx.04</b>
<b>Effective/Revised Date: 2/21/18</b>	<b>Page 1 of 9</b>

**Purpose:**

The purpose of this manual is to establish consistent County policies applicable to organizations with whom the County contracts to provide programs or services to the public on behalf of the County. This manual will be included in any contractual agreements to which it applies.

**Definitions:**

For the purposes of these policies and procedures, the County department the organization is contracting with will be referred to as “the department.” The funded activity, project, or program will be referred to as “the program.”

**Policies & Procedures:**

- A. **OUTCOMES:** The outcomes provided in the scope of services will be used to evaluate all payment requests and future funding requests.
- B. **INSURANCE GUIDELINES:** Dutchess County has specific insurance requirements for all organizations under contract with the County. Details are provided in Appendix I
- C. **OUTREACH MATERIALS**
  - 1. Attribution: Outreach materials, in print or via electronic means (i.e., Facebook, Instagram, etc.), must include the statement “paid for in part by Dutchess County.” The Dutchess County Seal should also be included if practical and appropriate.
  - 2. If the organization is providing programs and or services to special needs communities, they must include the “ThinkDIFFERENTLY” logo on outreach materials and advertising for the program or service.
  - 3. Pre-Approval: Outreach materials must be emailed/sent to the contract department for approval prior to distribution.
- D. **AMERICANS WITH DISABILITIES ACT (ADA):** All organizations who receive funding under County Contract must comply with the provisions as set forth in the ADA. Organizations cannot discriminate against individuals based on disability in the activities they provide. Organizations are also encouraged to incorporate measures that promote Dutchess County’s [ThinkDIFFERENTLY](#) initiative.
- E. **PAYMENT REQUESTS, REPORTING AND PERFORMANCE REVIEW**
  - 1. Submission Deadlines:
    - a. Organizations will submit progress reports and/or payment requests to the department at least quarterly, within 45 calendar days after the end of each quarter.
    - b. Earlier due dates may apply at year-end. The County will notify organizations via e-mail of any earlier due dates.
    - c. Each department can change the reporting requirements if different periods are necessary for reimbursement claiming or reporting.
    - d. If an organization fails to submit payment requests and/or reports by the due date, the

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Executive Director or Chief Elected Official of the organization will receive an email from the department within 5 business days of the due date.

2. Payment Request Documentation:
  - a. Payment Request Form signed by the Executive Director/Chief Elected Official or the Chief Financial Officer;
  - b. Outcome Report as applicable per departmental requirements;
  - c. General Ledger Transaction Detail, which includes vendor name, date of service, payment type & date (check or transaction number), and amount of expense;
  - d. Copies of receipts/invoices to substantiate general ledger transactions for expenditures exceeding \$1,000. All receipts/invoices must be made available to staff during a site visit or upon request;
  - e. Personnel Summary or comparable document;
  - f. For municipal projects only in addition to the above:
    - i. Approved and paid municipal payment voucher complete with all signatures or its' equivalent (i.e., printout from your financial software program);
    - ii. Any approved change orders(s);
    - iii. Certified payrolls for projects with contracted labor.
3. Withholding Payment: The department has the right to withhold payment if:
  - a. The work performed by the organization is *Not in Compliance* with the terms of the agreement and the *Policies and Procedures*.
  - b. The payment request is not in compliance with payment request documentation requirements listed above.
4. Performance Review: The department will review the organization's progress reports and performance in relation to the scope of services, performance measures, and deliverables as described in the agreement. The resulting data will be used to redirect efforts when indicated, or reinforce performance.

**F. BUDGET ADJUSTMENT**

1. Organizations requesting a budget adjustment must notify the County of such adjustments by emailing the Budget Adjustment Form to the department as soon as the need is known and prior to seeking reimbursement. The department will review such requests to ensure appropriateness before approval of future payments to the organization. Failure to obtain budget adjustment approval prior to expenditure of funds may result in non-reimbursement.
2. Only three budget adjustments will be considered during the term of the contract.
3. Limited budget adjustments will be considered during the final month of the term of the agreement. No budget adjustments, will be considered once the program term has expired without a formal written request.
4. Organization shall give notice to the County of any changes in other funding sources related to the program including the amount of the funding change.

**G. FISCAL GUIDELINES:** Payment requests should be limited to those expenses that relate solely to the program being delivered during the payment request period.

1. All expenses must be necessary, reasonable and justified, and within the approved budget.
2. Expenses related to more than one program must be pro-rated or charged as indirect, as appropriate.

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3. All County funded activities are subject to County Procurement Policies and Procedures. Federal and state funded activities may have additional requirements noted in their specific program policies and procedures. A summary of the procurement guidance can be found in section J.
  4. Maintain records for each program in a manner consistent with generally accepted accounting practices.
  5. Use a record keeping system, which maintains a separate identity for each program.
  6. Maintain a list of all funds received under the agreement, including a description of the source and amounts. (Cash Receipts Journal)
  7. Maintain a list of all funds disbursed under the agreement including payee and amount. Any payments made after the termination date of an agreement must be for expenditures incurred during the program term. (Cash Disbursements Journal)
  8. Duplicate claims for costs or services from more than one source are unacceptable.
  9. Maintain complete and accurate documentation to support revenues and expenses (e.g. bank deposit slips; invoices; time sheets; employee reimbursements for travel, meals and supplies, indirect cost detail; cash receipts; and disbursements journals).
  10. County funds may be used for furniture and equipment if the predominant use (50% or more) is for the County funded program. Organizations must maintain an inventory of furniture and equipment purchased with County funds until disposal for items costing \$1,000 or more and any furniture, electronic or audio visual equipment, projectors, computers, printers, copiers and power tools of any cost purchased with County funds through an approved tracking system. The inventory will be reviewed during monitoring and may include a review of the item's make/model, serial number, location, and condition. The entity will maintain ownership of all items during the contract term or as specified in the contract language. Prior to disposal of an asset, the county, at its discretion, will determine if the item must be returned or will approve the entity's plan for disposition.
  11. If the organization maintains a petty cash fund, the following information must be maintained for all disbursements: Amount, Date, Payee, Purpose, Item purchased, Approved by, and Received by.
  12. The department will not reimburse for any sales tax incurred by a tax exempt organization, except:
    - a. When exempt status is not recognized out of state, or
    - b. For employee meal reimbursement claims, which must include an itemized receipt and be part of their official duties.
  13. Originals of documentation must be made available to staff during monitoring/audits or upon request. Documentation must be kept for a period of ten years after the end of the agreement, unless otherwise specified by the department.
  14. No costs incurred before the starting date or after the ending date of a contract period will be reimbursed.
- H. **DIRECT COSTS:** Direct costs are identified specifically in the budget and contract scope, and can be easily and accurately assigned to activities of the program or service.
1. Personnel
    - a. Salaries charged to the program should be based on actual hours spent on the funded program times the employee's hourly billing rate.
    - b. Timesheets: Detailed and accurate time records for all employees paid under the contract must be kept by the organization and available upon monitoring/audit by the County. Acceptable time records must show the total hours worked, benefit time used, and the

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number of hours worked on the funded program **for each day** during the covered period, which should generally coincide with regular pay periods. Payroll documentation must be completed in accordance with the organization’s accepted practice and be approved by a responsible official(s). Other detailed information may be required based on funding source requirements.

- c. Personnel services are reimbursable for direct program delivery. Extended medical and disability leave as well as leave defined under the state’s Paid Family leave law will be paid only if program services are still provided, disability or leave insurance is not already paying the leave benefit, and no additional charges are submitted for coverage pay. The entity must submit a plan to the department for approval before the leave occurs, which defines how the leave will be covered and who will be providing the service. If the department determines that outcomes have not been met as a result of the extended leave, the reimbursement paid for the extended leave will need to be paid back to the County. Bonuses and severance packages are not eligible for reimbursement.
  - d. Fringe: Fringe payments are allowable provided they are reasonable and required by law, or organization policy or agreement. These generally include FICA, unemployment insurance, worker’s compensation, medical insurance, cost of leave and pension/retirement costs.
2. Contractual/Consulting Services: This category includes costs for organizations and individuals external to the organization that have entered into a written agreement with the organization to provide any services outlined in or associated with the agreement, and whose services are to be funded under the program budget within a program year.
- a. All consultant arrangements must be by written agreement and approved by the County through the budget process.
  - b. Insurance: All Consultants are subject to the County’s insurance requirements listed in Appendix I.
  - c. Consultant agreements or a series of agreements with the same consultant for \$20,000 or more must be emailed/sent to the department for approval prior to execution.
3. Travel & Meals
- a. Travel plans must be approved as part of the organization budget submission to the County. Any travel plans in excess of the original budget that require a budget modification require pre-approval.
  - b. Mileage will be reimbursed in accordance with the organization’s standard rate, not to exceed the IRS rate in effect at the time of travel. Mileage reimbursement excludes normal round trip to and from work.
  - c. Meals unrelated to the funded program shall not be reimbursable, (eg., organization parties and executive meals and meals at meetings). Charges for alcohol are not reimbursable and gratuities shall not exceed 20% of the total bill.
4. Equipment Purchase/Lease
- a. Refer to Fiscal Guidelines (Page 3, G(10))
  - b. Equipment needed to meet the program objectives may be either purchased or leased, whichever is more economical, and may be reimbursed based on the pro-rated portion of the entire expenditure that is related to the program.
  - c. Cars or vans cannot be purchased without specific written approval from the department. If vehicles are leased, the costs must be listed under Vehicle Lease section of the budget.

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5. Supplies: The department will reimburse for those supplies (e.g. paper, binders, stationary, pens, paper clips) which are used specifically in connection with the program during the term of the agreement. General office supplies are indirect costs.
  6. Incentives: The use of incentives in the funded program and the organization's policies and procedures related to incentives should be pre-approved through the budget process. Incentives are allowable if the expenditures can pass the following two tests:
    - a. Expenditures using public funds must be **appropriate**, and
    - b. Expenditures for incentives should be **nominal** rewards as pre-approved by the department through the organization budget submission.
  7. Other Expenses Directly Related to the Program: includes items that are solely related to the services to be provided, but are not specifically included in the previous categories. These items may include: participant travel, staff training, insurance, occupancy, licensing fees, client costs, printing, shipping, delivery and messenger services, materials development costs, advertising costs for recruiting new hires, books, journals, periodicals, audio-visual services, facility rental, program refreshments. Additional criteria or clarification for some of these categories is listed below:
    - a. Participant travel: Explain the purpose of travel, number of participants, estimated miles, and frequency (ex. per day, per week).
    - b. Occupancy: Real estate rental, utility, telephone, and heating fuel costs for space related solely to the program.
    - c. Client Costs/Funds to Customers: Wages, stipends, incentives, client mileage, client meals, client supplies, etc.,
    - d. Client meals are allowable if consumed by clients in connection with the program. Expenses incurred for a staff person(s) acting as a chaperone for a client outing is reimbursable. Meal expenses must be reasonable and nominal, as defined previously in this section.
  8. Printing Services: Audio-visual and print production costs, reprint permissions, reproduction, and photocopying costs. All organizations must make reasonable efforts to have printing services performed by the Dutchess County Division of Central Services Print Shop. If not able to utilize the Dutchess County Print Shop, secure the lowest responsible bidder for printing services. In instances where a printing job is in excess of \$5,000, documentation that shows that the lowest cost source has been used must be provided with the payment claim.
- I. **INDIRECT COSTS:** Indirect costs are the expenses of doing business including administrative expense and overhead necessary for the general operation of the organization.
1. The County will allow indirect costs of up to 18% of the total direct costs, unless otherwise specified in the contract agreement.
  2. Indirect costs will be reimbursed based on the direct costs submitted for reimbursement.
  3. If the organization has an agreed upon indirect rate less than 18% through RFP response or some other agreement, it shall use that rate. Programs funded with federal or state funds may use a different indirect rate and formula.
- J. **PROCUREMENT REQUIREMENTS:** The purpose of these requirements is to ensure procurement is conducted efficiently while ensuring free and open competition to the maximum extent practical. Where County funds are being directly used to procure goods or services, the County requires compliance with Section 103 of General Municipal Law (GML), which requires formal bidding for purchases in excess of \$20,000 and public

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works in excess of \$35,000. The County has separate standards for purchases below the GML 103 thresholds, which are outlined in the full Procurement Policy. The chart below summarizes the requirements.

<b>Dutchess County Procurement Policies and Procedures</b>	
<b>Estimated Acquisition Cost</b>	<b>Procedure<sup>1</sup></b>
<b>Goods and Services (includes material and equipment leasing)</b>	
\$1-\$4,999	No formal quotation required. Purchase shall be made based on reliable market information such as catalogues, phone quotes or previous quotes. The entity shall make reasonable efforts to obtain the best price.
\$5,000-\$19,999	Formal written quotations, obtained through the automated process [ <a href="#">Empire State Purchasing Group (ESPG)</a> ] from at least three responsible bidders, or purchase from a State Contract.
\$20,000 and over	Formal bidding via <a href="#">ESPG</a> .
<b>Public Works/Construction</b>	
\$1-\$9,999	No formal quotation required. Purchase shall be made based on reliable market information such as phone quotes or previous quotes. The entity shall make reasonable efforts to obtain the best price.
\$10,000-\$34,000	Formal written quotation from at least three responsible vendors.
\$35,000 and over	Formal bidding via <a href="#">ESPG</a> .
<b>Professional Services</b>	
\$1-\$19,999	No formal quotation required. Purchase shall be made based on reliable market information such as phone quotes or previous quotes. The entity shall make reasonable efforts to obtain the best price.
\$20,000-\$39,999	Formal written quotation from at least three responsible vendors.
\$40,000 or over	Formal request for proposal (RFP) <sup>2</sup> secured through <a href="#">ESPG</a> .
<sup>1</sup> All CDBG procurement must include MBE/WBE outreach.	
<sup>2</sup> The County will consider a Request for Qualifications if the task requires more specialized experience than a general practitioner in the relevant field may be able to provide. The community will need to submit a written request with justification for the County's review and approval.	

For guidance on municipal procurement, please contact Dutchess County Office of Central and Information Services, Central Services Division at 845-486-3670.

- K. **MONITORING:** Monitoring will be done through site visits and progress reports submitted with billing as well as a review of financial reports, supporting documentation and periodic communication as designated by the department. It is the organization's responsibility to ensure they are in compliance with the necessary health and safety issues, programmatic paperwork, and fiscal records.
1. Site visits: May be required by the department at least once during their initial agreement year to determine fiscal adequacy and program quality. Subsequent monitoring will be based on a risk assessment by the department. Site visits will allow the department to determine whether a program is operating within the parameters in the organization's Agreement and Scope of Services while also allowing the department to provide assistance tailored to the unique needs of a particular organization. Site visits are scheduled with organization personnel. However, unscheduled visits

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including attendance at public events, may also occur. A program can receive one of the following determinations:

- **IN COMPLIANCE:** The program fulfills its obligations as outlined in the agreement.
- **NOT IN COMPLIANCE:** The program is not in complete compliance with the agreement. The organization needs to take corrective action. The department will designate a time period in which the problem(s) needs to be resolved. If the organization resolves the problem(s) within the time period, it will then receive an *In Compliance* determination. If the problem remains unresolved, future funding may be affected.

The organization will receive a follow-up letter indicating the monitoring results within 30 calendar days of the site visit.

2. **Monitoring Documentation:** The following documents should be made available to the County for monitoring purposes.
  - a. List of current board of directors
  - b. Board meeting minutes for the last year
  - c. Most recent annual report (if applicable)
  - d. Most recent audited financial statement (if applicable)
  - e. Other forms as needed (e.g. IRS Form 990 & CHAR 500)

L. **CONFLICT OF INTEREST:** A conflict of interest is: "an actual or perceived interest by the member in an action that results or has the appearance of resulting in personal, organizational or professional gain." Persons covered includes: employees, officers or agents, or their immediate family or partners, or employers of any of the above during their tenure and for one year after. Funded organizations may not hire board members to fill any paid staff position or perform any paid consultant service for the organization's program. Board members may provide services for the program on a voluntary basis, but may not serve in the capacity of Executive Director, Chief Elected Official, or Chief Financial Officer, even if these services are provided on a volunteer basis.

M. **DISAGREEMENTS:** These policies and procedures serve as a reference tool to assist all organizations in the programmatic and fiscal aspects of their responsibilities. While comprehensive, it does not cover every situation that might occur. In the event of an unresolved disagreement between the department staff and an organization, the Commissioner of the department will make the final determination within these guidelines and regulations.

- N. **EXTENSIONS (MIG and CDBG Municipal only):**
1. One extension per activity will be considered for approval by the Commissioner of Planning and Development.
  2. Additional extensions will be considered under extenuating circumstances and with approval by the Community Development Advisory Committee (CDAC).

O. **RETAINAGE (MIG and CDBG Municipal only):** Unless stated otherwise in the agreement, the County shall hold 10% of the grant award until project completion.

P. **RECAPTURE:** When a program is 100% complete and the final Request for Payment has been processed any outstanding funds will be recaptured. The organization will be contacted electronically to verify that the program is 100% complete and all costs have been submitted. This will be followed by a written recapture statement, which will be issued by the department for any funds advanced but not spent.

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## Appendix I Insurance Requirements Summary

This is a summary of the County's insurance requirements designed to help organizations and their insurance agents provide the appropriate insurance documentation to the County. We have underlined the most frequent mistakes made in the Acord form that result in the rejection of certificates. The full insurance requirements are in the agreement with the County.

All organizations, and any sub-contractors, receiving funds from the County must secure and maintain, at their own cost, the following insurance and provide proof to the County prior to commencing work under any Agreement:

**Workers' Compensation** Employer's Liability (statutory limits). In compliance with the Workers' Compensation Law of the State of New York, each organization shall provide:

- a. a certificate of insurance on an Acord form indicating proof of coverage for Workers' Compensation, Employer's Liability, **OR**
- b. a New York State Workers' Compensation Notice of Compliance (Form C-105, Form U-26.3, Form SI-12 or Form SI-105.2P). The Notice of Compliance must indicate that a waiver of subrogation in favor of the County of Dutchess is provided, **OR**
- c. in the event that the organization is exempt from providing coverage, it must provide a properly executed copy of the Certificate of Attestation of Exemption from NYS Workers' Compensation Board, Form CE-200, **OR**
- d. a Certificate of Participation in a Self-insurance Program. For those municipalities participating in the Dutchess County Self-Insured Plan, we will receive verification from the Dutchess County Office of Risk Management.

**Commercial General Liability** Insurance coverage including:

- a. Blanket contractual coverage for the operation of the program with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
- b. Insurance shall be written on an occurrence coverage form.
- c. Insurance shall include coverage for bodily injury and property damage liability. In addition, if your organization provides services to minors 0 to 18 years of age, your insurance coverage shall include sexual abuse, molestation and medical coverage for the participants in the program.
- d. County of Dutchess must be listed as additional insured.
- e. Additional insured endorsement required which shall not contain any exclusion for bodily injury or property damage arising from completed operations.

Depending on the type and scope of work, the County may also require additional insurance coverage for:

**Automobile Liability** Insurance coverage for all owned, scheduled, hired, and non-owned vehicles with:

- a. A combined single limit of liability of not less than \$1,000,000.
- b. Insurance shall include coverage for bodily injury and property damage liability.
- c. County of Dutchess must be listed as additional insured.

**Professional Liability, if required,** with:

- a. Limits not less than \$1,000,000 per occurrence; \$3,000,000 in the aggregate.
- b. In the event of expiration or termination of the Agreement, the organization shall either

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maintain this coverage for not less than three (3) years, or shall provide an equivalent extended reporting endorsement (commonly known as a 'tail policy').

**Excess/Umbrella Liability, if required, with:**

- a. Limits not less than \$5,000,000 per occurrence with a \$5,000,000 aggregate.
- b. County of Dutchess must be included as additional insured.

The Acord form certificate of insurance must contain the following provisions:

- a. The County of Dutchess must be listed as certificate holder and additional insured on the commercial general, umbrella/excess, and automobile liability policies.
- b. The commercial general liability policy must include the additional insured endorsement forms cg 2037 July 2004 edition and the cg 2010 April 2013 edition or their equivalent.
- c. The commercial general and automobile policies are primary and noncontributory.
- d. The commercial general liability, auto liability and worker's compensation policies must contain a waiver of subrogation in favor of the County of Dutchess.
- e. The umbrella/excess policy is primary and noncontributory and must contain a waiver of subrogation in favor of the County of Dutchess.

**Notice of Cancellation:** Prior to cancellation or material change in any policy, a thirty (30) day notice shall be given to the County Attorney at the address listed below:

Dutchess County Attorney  
County Office Building  
22 Market Street  
Poughkeepsie, New York 12601

All insurance policies shall be underwritten by companies authorized to do business in the State of New York with an A.M. Best financial strength rating of A- or better. In the alternative, the policies may be underwritten by Non-Admitted companies with an A.M. Best financial strength rating of A+ or higher. The organization and its sub-contractor(s), if any, shall be solely responsible for any deductible losses under each of the required policies.

Description of Operation:

Following is a sample Certificate of Insurance (COI) highlighting the required coverage and language for the Description of Operations. This highlighted information is essential. Please review it carefully and submit accordingly as the Director of Risk Management will accept nothing less OR for the sake of ease and clarity we welcome and encourage you to forward this requirement sheet and the sample COI to your insurance agent/carrier for direct submission to us.

Questions or concerns by you or your carrier should be addressed to:

George L. Salem, Jr.  
Director of Risk Management  
Dutchess County Department of Human Resources  
(845) 486-2030 or gsalem@dutchessny.gov