

SCHEDULE B1

Fiscal Requirements for All Grantees

Schedule B-1 provides information on how City funds should be expended, documented, and invoiced for by all grantees during the grant period.

A) Budget

1. Grantee will deliver the services outlined in Schedule A3 according to the budget provided in Schedule B3. DVP agrees to pay Grantee based on expenditures in the approved budget categories.
2. Grantee understands that DVP funds may not be used to supplant other funds. DVP funds should be used to expand or enhance existing programs or to initiate new services or programs.
3. DVP reserves the right to revise grant amounts based upon shifts in available revenue during the fiscal year.

B) Budget modifications

1. A budget modification must be submitted when:
 - a. An agency is moving any money between budget categories (for example, from *Operating Expenses* into *Personnel Costs*).
 - b. An agency is moving more than 10% of funds in a single budget category between line-items (for example, from incentives to flexible funds within *Participant Funds*).
2. Grantee must submit a budget modification request to the DVP and receive approval prior to expending funds related to the modification. Although the DVP will do its best to accommodate budget modifications, the approval of budget modification requests is not guaranteed. Instructions on how to submit a budget modification are available on the DVP's website.

C) Fiscal Practices

1. Grantee must maintain a system for tracking DVP grant expenditures to distinguish them from expenditures charged to other funding sources. If Grantee is funded by the DVP to perform multiple services/scopes of work, Grantee must maintain a system for differentiating between expenditures for each. Additionally, Grantee must maintain a system of tracking funding received by the DVP to differentiate it from other sources of income.
2. Expenses charged to a DVP grant cannot also be charged to another funding stream.
3. Grantee must maintain backup documentation for all grant invoices. Examples of appropriate backup documentation are provided in **Table 1**. The DVP will conduct a fiscal audit that requires Grantee to submit all relevant backup documentation for one quarter during the grant period. If concerns arise during that review, the DVP will require backup documentation from other quarters, as well.

Table 1. Backup documentation required for grant-funded expenses.

Budget category	Backup documentation required
Personnel	<ul style="list-style-type: none">• Timesheets or payroll records for all grant-funded staff.• Documentation of agency's fringe benefit rate and the benefits included in the rate.

Budget category	Backup documentation required
Operating expenses	<ul style="list-style-type: none"> • <u>Materials and supplies</u>: Receipts or invoices that verify payment and include the following information: vendor name, form of payment (cash, credit), cost of item, date of purchase, and description of item. • <u>Phone plans</u>: Monthly phone bill records for grant-funded staff. • <u>Mileage</u>: Mileage logs for grant funded staff or a written agency policy on monthly mileage allowance. • <u>Trainings</u>: Receipts or invoices that verify payment and include the following information: vendor name, cost of training, date of training, and description of training content. Grantee should also retain a training agenda and completed staff sign-in sheets.
Participant funds	<ul style="list-style-type: none"> • <u>Incentives</u>: Each incentive payment should be recorded in Apricot through an <i>Incentives</i> form. Additionally, a copy of each check or a check paystub must be signed by the participant and staff member disbursing the payment. If Grantee disburses gift cards instead of checks, the participant and staff member should sign a document that provides information on the date of disbursement, type of gift card, gift card amount, and gift card serial number. These documents should be kept on file for review during an audit. • <u>Flexible funds</u>: Each flexible fund payment should be recorded in Apricot through a <i>Service Note</i> form. Grantee must also complete a flexible fund form that documents the amount of funding disbursed, the date of disbursement, the purpose of the funding, the participant's signature confirming receipt of the money or purchased items, and a staff member's signature confirming disbursement. If gift cards were distributed, the type of gift card and gift card serial number must also be recorded. Flexible fund disbursement forms should be kept on file for review during an audit. Grantee may use the DVP's template flexible fund form or their own, as long as it includes the required information. • <u>Wages</u>: Timesheets or payroll records for all grant-funded participants.
Consultants	<ul style="list-style-type: none"> • Invoices or work orders from consultants and a description of work performed.
Subgrantees	<ul style="list-style-type: none"> • Invoices submitted for payment by subgrantees. • Backup documentation for each subgrantee invoice, as detailed in Table 1.
Indirect costs	No backup documentation required.
Fiscal sponsorship	Overview of fiscal sponsorship services provided to subgrantee with written confirmation from subgrantee.

D) Invoicing

1. Information on the due date and maximum payment amount for each invoice that Grantee must submit to the DVP is provided in Schedule B2.
2. If a grantee incurs expenses that exceed their maximum scheduled payment for a quarter, the overage may be requested for reimbursement during a future quarter when expenses do not meet the maximum scheduled payment. Please note that although the DVP will always try to approve the reimbursement of overages in future quarters, the DVP is not legally obligated to do so. If your agency spends more than the maximum payment amount in a given quarter, future reimbursement of the excess amount is not guaranteed.
3. Grantee will submit invoices through Apricot 360 by completing a *Quarterly Progress Report*. In the *Quarterly Progress Report*, Grantee will report expenditures during the reporting period and

identify the requested payment amount. The requested payment amount may differ from total expenditures if Grantee asks to recoup prior overspent funds or previously withheld funds. Additionally, Grantee may be able to request full payment of expenditures that exceed the scheduled payment amount if Grantee has a balance of unspent funds from prior quarters. The *Quarterly Progress Report* will also require Grantee to provide a narrative explanation of grant activities during the reporting period and to upload a *Deliverables Report* as an attachment. Instructions for completing a *Quarterly Progress Report* are available on the DVP's website and in Apricot under *My Shared Files*.

4. Once Grantee submits a *Quarterly Progress Report*, DVP staff will review expenditures and payment deliverables within five business days and identify the approved payment amount or request additional information. DVP grants are performance-based and expenditure-based, meaning that disbursement of funds is contingent upon the Grantee meeting performance expectations in addition to expending funds. *Section E* details potential payment withholdings if performance expectations are not met.
5. Grantee shall adhere to the instructions and procedures provided and periodically revised by the DVP concerning quarterly reports, which may include requests for supporting documentation of grant expenditures at any time.

E) Payment Withholdings

1. DVP grants are performance-based and expenditure-based, meaning that disbursement of funds is contingent upon the Grantee meeting performance expectations in addition to expending funds. *Sections 1a-1d*, below, outline potential withholding circumstances and amounts.
 - a. Schedule A1 (Program requirements): The DVP reserves the right to withhold up to 10% of a Grantee's scheduled payment amount in a given quarter if the Grantee does not meet expectations outlined in *Schedule A1* following a 60-day period to cure, as described in *Section E2* of this document.
 - b. Schedule A2 (Data and evaluation requirements): The DVP reserves the right to withhold up to 10% of a Grantee's scheduled payment amount in a given quarter if the Grantee does not meet expectations outlined in *Schedule A2* following a 60-day period to cure, as described in *Section E2* of this document.
 - c. Schedule A3 (Scope of work): The DVP will withhold 5-20% of a Grantee's scheduled payment amount in a given quarter if the Grantee achieves less than 90% of the payment service deliverables outlined in *Schedule A3*. Withholding amounts are based on the percentage of deliverables achieved, as outlined in **Table 2**. A Grantee's overall percentage of deliverables achieved is the average of the percentage achieved for each deliverable. DVP staff will support Grantee in identifying and remediating shortfalls in deliverables through monthly reviews of Apricot service data. Additionally, Grantee may recoup deliverable withholdings in future quarters if Grantee meets or exceeds overall deliverable benchmarks.

Table 2. Payment withholding percentages based on percentage of service deliverables achieved.

Percentage of service deliverables achieved	Percentage of payment withholding
90-100%	0%
80-89%	5%
70-79%	10%
60-69%	15%
Less than 59%	20%

- d. Schedule B1 (Fiscal requirements): The DVP reserves the right to withhold up to 10% of a Grantee's scheduled payment amount in a given quarter if the Grantee does not meet expectations outlined in *Schedule B1* following a 60-day period to cure, as described in *Section E2* of this document.
2. Prior to applying a payment withholding related to noncompliance with *Schedule A1*, *Schedule A2*, or *Schedule B1*, the DVP will follow the process below to notify the Grantee and provide an opportunity to cure:
 - a. When the issue is first identified: Email Grantee's executive director, fiscal officer, and program lead to identify the issue of noncompliance and provide guidance on how to cure the issue.
 - b. 30 days following initial email communication: Email Grantee's executive director, fiscal officer, and program lead to identify the issue of noncompliance, provide guidance on how to cure the issue, and state that a payment withholding of X% will be applied to the next invoice if the issue is not cured within 30 days.
 - c. 30 days following second email communication: Email Grantee's executive director, fiscal officer, and program lead to notify them that the issue has not been resolved and a payment withholding of X% will be applied to the next invoice.
 - d. Once an invoice with a withholding has been processed: Email Grantee's executive director, fiscal officer, and program lead to notify them that an invoice was approved with a payment withholding of X% due to the previously-identified issue of noncompliance.

F) Organizational Audit

1. Prior to contract execution, the DVP will require Grantee to submit an organizational audit completed since January 1, 2023. If additional organizational audits are completed during the grant period, Grantee should provide them to the DVP.