



STATE OF NEW YORK
EXECUTIVE DEPARTMENT
DIVISION OF THE BUDGET
STATE CAPITOL
ALBANY, NEW YORK 12224

Andrew M. Cuomo
Governor

Robert L. Megna
Director of the Budget

BUDGET BULLETIN	H-1032	June 7, 2013
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TO: ALL DEPARTMENT AND AGENCY HEADS

FROM: Robert L. Megna *Robert L. Megna*

SUBJECT: New York State Grants Reform

In keeping with Governor Cuomo's efforts to streamline and reform State business processes, the Grants Reform Initiatives are intended to increase the timeliness of the grant contract process and allow State agencies to better monitor grantee performance.

There are four key reform initiatives:

- Implementation of the **Master Contract for Grants**;
- Increased use of **Multi-Year Contracts**;
- A **Grants Gateway** Online System, where:
 - Grant opportunities are posted in one easily searchable database;
 - Vendors store and retrieve required documents in an electronic "vault";
 - and
- Implementation of **Vendor Prequalification for Not-for-Profits**.

Information on these initiatives will be updated periodically on www.GrantsReform.ny.gov. Programmatic issues should be addressed to your Division of Budget (DOB) examiners. Technical questions related to this directive should be addressed via email to the Grants Reform Team at grantsreform@budget.ny.gov, referencing the component of this directive about which you are inquiring in your subject line: Master Contract for Grants, Multi-Year Contracts, Grants Gateway, or Vendor Pre-Qualification.

MASTER CONTRACT FOR GRANTS

The **New York State Master Contract for Grants** supersedes several documents for purposes of processing State and federally funded grant contracts, including: *State of New York Agreement; Appendix A, Standard Clauses for New York State Contracts; Appendix A-1, Agency Specific Clauses; Appendix C, Payment and Reporting Schedule*; and associated *Cover Page and Signature Page*.

The components of the **Master Contract for Grants** are:

- Face Page*;
- Signature Page*;
- New York State Standard Terms and Conditions*;
- Attachment A-1, Program Specific Terms and Conditions*;
- Attachment A-2, Federally Funded Grants*;
- Attachments B-1, Expenditure Budget; B-2, Performance Based Budget; B-3 Capital Budget; B-4 Net Deficit Budget (and related Budget Amendment Attachments);
- Attachment C, Work Plan; and
- Attachment D, Payment and Reporting Schedule*.

* **Required to be used by all State agencies on or after April 29, 2013.**

A PDF version of the Master Contract for Grants and samples of completed forms can be found at <http://grantsreform.ny.gov/information-state-agencies>. Agencies have the option of utilizing the *Attachments B-1, B-2, B-3, B-4* (Budget) and *C* (Work Plan) as they fit with existing agency processes and systems. This phased approach to implementation is intended to mitigate impact on State agencies until the Grants Gateway System is fully implemented.

All grant contracts, renewals, and amendments sent to the Office of the Attorney General (AG) and the Office of the State Comptroller (OSC) for approval prior to July 31, 2013 that do not employ the Master Contract for Grants template must be accompanied by a completed *Master Contract for Grants Waiver Form* ([Attachment A](#)).

After July 31, 2013, agencies should not sign or execute grant contracts, renewals, or amendments that do not employ the Master Contract for Grants template.

MULTI-YEAR CONTRACTS

Although it is acknowledged that not all programs lend themselves to a multi-year contract format, all agencies are required to review grant programs and migrate as many programs as possible to a multi-year contract format to reduce paperwork, processing time, and possible cash flow problems for vendors. The Office of the State Comptroller's Guide to Financial Operations directive¹ provides that in order to utilize a multi-year agreement, two conditions must be met:

- The agency must be able to predict, at the start of the multi-year term, the total amount of the contract for the entire multi-year period; and
- The scope of the contract must be established at the start of the contract and remain unchanged for the full period of the contract.

¹ <http://www.osc.state.ny.us/agencies/guide/MyWebHelp/>; Ch. XI.4.B

For programs with existing annual renewal contracts with more than two years remaining, agencies should work with their providers to amend such contracts to a multi-year format for the remainder of the contract term.

GRANTS GATEWAY – OPPORTUNITY POSTINGS

The New York State Grants Gateway is now live, and will serve as a single place for State agencies to post upcoming and available grant funding opportunities. The Grants Gateway System will incorporate standardized budgets and work plans which will be designed in collaboration with State agencies.

Agencies are expected to self-manage a listing of current and upcoming grant opportunity postings on the Gateway. Additional details on training and other instructions will be distributed to the Grants Coordinators designated by your agency. Your agency Grants Coordinators will be responsible for ensuring that all grant opportunities are posted to the Grants Gateway upon release, and that listings of anticipated opportunities are kept up to date.

The Grants Gateway will also allow vendors (including not-for-profits, businesses, government entities, tribal nations and individuals) to submit commonly requested documents which will be stored in a virtual, secured Data Vault.

VENDOR PREQUALIFICATION FOR NOT-FOR-PROFITS

Prequalification is a new statewide process designed to facilitate prompt contracting for not-for-profit vendors. Interested vendors will be asked to submit commonly requested documents, and answer frequently asked questions once. The application requests organizational information about the vendor's *capacity*, *legal compliance*, and *integrity*.

Beginning June 10th, not-for-profit vendors subject to prequalification will submit their responses online in the new Grants Gateway, and all information will be stored in a virtual, secured vault. Once registered with the system, State agencies will have ready access to the vault, eliminating redundant submissions of such information. Not-for-profits will only have to prequalify every three years, with responsibility to keep their information current throughout the three year period. To obtain access to the Grants Gateway, vendors should submit a registration form downloadable on the Grants Reform website (<http://grantsreform.ny.gov/Grantees>).

Community Projects Fund Grants (Member Items) – Not all not-for-profit vendors receiving Community Projects Fund grants will be required to prequalify via the Grants Gateway, but those who do not will need to complete a short Vendor Integrity Questionnaire available on the Grant Reform website. DOB will work with agencies to establish which vendors are required to prequalify and who need to complete the questionnaire at the onset of each round of the Community Projects Fund contracting process.

Each State agency has designated staff members who will serve as Prequalification Specialists, and vendor prequalification applications will be routed to this staff for review and evaluation. For those vendors having relationships with multiple State agencies,

applications will be directed to staff at the agency with the largest number of existing contracts with the vendor.

The Specialists are being trained on the new prequalification questions, the review process for each vendor application, and will contact DOB as needed for Community Projects Fund grants to assess whether prequalification is necessary. In instances where the Prequalification Specialist has concerns about the application or where vendor integrity is at issue, they will refer the application to the Executive Deputy of their agency for final review and eligibility determination. A representative from the Executive Chamber will be available to assist the agency Executive Deputies with these determination decisions, to oversee ongoing training of the Prequalification Specialists, and to help answer any questions.

To ensure a smooth transition and avoid adverse impact on delivery of services, agencies are encouraged to process contracts, renewals, and amendments under the condition that impacted vendors will prequalify prior to July 31, 2013. The following standard text should be inserted into the **Award Letters** and **Approval Letters** sent prior to July 31, 2013 to not-for-profit vendors.

- For **Award Letters** (including 90 Day Notice of Intent to Renew):

This award is conditioned on the requirement that you prequalify in the Grants Gateway by July 31st, 2013. Additional information on prequalification and the Grants Gateway can be found on the Grants Reform website (<http://grantsreform.ny.gov/>). Please attend to this requirement in a timely manner to avoid any delay in approval.

- For **Approval Letters**:

This approval is conditioned on the requirement that you prequalify in the Grants Gateway by July 31st, 2013. Additional information on prequalification and the Grants Gateway can be found on the Grants Reform website (<http://grantsreform.ny.gov/>). Please attend to this requirement in a timely manner to avoid any delay in payment.

Beginning July 31, 2013, all not-for-profit vendors will be required to prequalify prior to grant application and execution of contracts. If the not-for-profit vendor is not prequalified as required, State agencies should NOT:

- Evaluate proposals for existing competitive grants opportunities submitted by the not-for-profit vendor; or
- Sign grant contracts, renewals, or amendments with the not-for-profit vendor.

To ensure not-for-profit vendors are made aware of the prequalification process and are provided adequate time to prequalify, the following rollout schedule will be followed.

Milestone	NYS Agencies	Not-for-Profit vendors
June 10th – July 30th Prequalification Transition Period	<ul style="list-style-type: none"> • Agency Prequalification Specialists can begin to review documents in the Data Vault and prequalify not-for-profits. • Agencies are required to include the standard language (see page 4) in all Award and Approval letters for contracts, renewals, and amendments issued by State agencies to not-for-profits vendors. 	<ul style="list-style-type: none"> • Vendors who submitted registration materials and received their user credentials can begin to upload documents into the Data Vault. • Not-for-profits who submitted their registration materials and received their user credentials can complete their prequalification questionnaire. • Not-for-profits who have had contracts approved during this period must prequalify by July 31st or payments may be delayed.
July 31st - Prequalification Transition Period Ends	<ul style="list-style-type: none"> • Agencies cannot evaluate, sign grant contracts, renewals, or amendments for not-for-profits that are not prequalified. 	<ul style="list-style-type: none"> • Not-for-profits must prequalify to have their grant proposals evaluated, or to contract with New York State.
Fall 2013 - Additional Grants Gateway functionality rolled out	<ul style="list-style-type: none"> • Agencies receive and evaluate vendor responses to competitive grants online in the Grants Gateway. • Agencies sign contracts, renewals, and amendments online in the Grants Gateway. • The Grants Gateway will offer real-time validation, and will restrict agencies to processing contracts, renewals, or amendments for only prequalified not-for-profit vendors. 	<ul style="list-style-type: none"> • Vendors submit responses to competitive grants in the Grants Gateway. • Vendors sign contracts, renewals, and amendments online in the Grants Gateway. • The Grants Gateway does not allow not-for-profits to submit a response online to a competitive grant opportunity unless they are prequalified. • The Grants Gateway does not allow not-for-profits to sign contract renewals, or amendments unless they are prequalified.

Master Contract for Grants Waiver

Date:

To:

NYS Office of the Attorney General

NYS Office of the State Comptroller

From:

State Agency Name & Address

I hereby attest that the attached (describe contract transaction) was sent to the grantee for signature prior to June 10, 2013 and is therefore exempt from the requirement of employing the Master Contract for Grants template. In support, please find attached a copy of the (letter or email) used to transmit the document to the grantee for signature.

Signature

Name

Title