

**Citywide Nonprofit Monitoring and Capacity Building Program
FY17-18 Changes to the Standard Monitoring Form**

Category	FY17-18 Standard	What's Different	Explanation
CHANGES TO STANDARDS, PILOTS AND BEST PRACTICES			
1. Agency-wide Budget	g. Includes annual cash flow projections [best practice]	Changed from Pilot to Best Practice.	The City considers this a valuable standard, and sees the need for more training for both monitors and nonprofits about how to develop and assess the cash flow metrics. This will be changed from pilot to best practice for FY17-18. Failure to meet the standard will not be considered a finding.
3. Audited Financial Statements	k. Total unrestricted net income (change in net assets) is positive over 2 consecutive years or the contractor provides a reasonable explanation for how it will be positive by the end of the fiscal year [pilot standard]	New Pilot Standard added.	The City intends that if a nonprofit had a deficit in the past 2 years, it should be a cause for concern. Many businesses are cyclical and it is meaningful to look at the surplus/deficit at year-end as well. Therefore, the City finds value in looking at total unrestricted net income over 2 years to assess nonprofit financial performance. This will be a pilot for FY17-18 and not meeting the standard will not be considered a finding.
3. Audited Financial Statements	l. Total change in cash is positive over the sum of 2 consecutive years or agency has a reasonable explanation and/or plan to reverse cash outflow [best practice]	Standard changed from k. to l. and changed from a Pilot Standard to a Best Practice. Changed from measuring 3 years to measuring 2 consecutive years.	The City considers monitoring the change in cash over the sum of 2 years to be sufficient as a valuable indicator of financial health, but given the large range of reasons for variance, it now becomes a best practice only. Failure to meet the standard will not be considered a finding.
9. Board Oversight	Board of Directors Best Practices g. through o.	Moved all Board of Directors Best Practices to Section 9. Board Oversight.	The City finds value in consolidating standards and best practices related to board governance practices under one category, highlighting the importance of the best practices in a contractor's financial health, even if they do not become formal standards.
10. Public Access	a. Contractor has and follows a written policy that it must ...	Standard updated to state that contractor has a policy and follows its policy.	The prior standard only required that the policy exist, but did not indicate that contractors show proof of following the policy.
12. Licenses	a. Site licenses... b. Staff licenses...	This section and both standards within it have been removed from the Standard Monitoring Form.	Participating departments have affirmed that, when facility or staff licenses are required by departments or funding sources, program staff within departments

			are monitoring compliance, making these standards in fiscal and compliance monitoring duplicative.
13. Emergency Operations Plan	b. Staff and volunteers were trained on the emergency plan, or have undergone at least one fire drill within the last year	Previous standards b., c., and d. have been combined.	For the City to ensure the sustainability of public services in a crisis, it must also maintain standards of preparedness among service providers, including asking them to develop emergency operations plans appropriate to their circumstances and training staff on those plans regularly. However, given the amount of variation between plans, a simplified standard is more reasonable for the City to monitor.
15. Americans with Disabilities Act (ADA)	a. Written policies and procedures... b. Staff is trained...	This section and both standards within it have been removed from the Standard Monitoring Form.	The City already monitors elements of ADA compliance under standard 12. Personnel Policies and eliminates this section to reduce monitoring duplication.
16. Data Universal Numbering System (DUNS)	a. Demonstration of registered DUNS...	This section and the standard within it have been removed from the Standard Monitoring Form.	The City finds that this standard is no longer relevant. Contractors receiving federal dollars are required to register for DUNS identification to qualify. Monitoring must occur prior to awarding funds, making monitoring of existing grantees irrelevant.
CHANGES TO GUIDANCE			
3. Audited Financial Statements	b. Unmodified opinion	Guidance on the definition of an unmodified opinion has been added.	
4. Tax Form	a. Federal 990 return filed for most recent tax year or request for extension submitted on time	Guidance wording has been updated per the most recent instruction on Form 990.	
5. Fiscal Policies & Procedures	b. Current (updated within the past two calendar years or to reflect monitoring/audit recommendations) [best practice only]	Guidance has been added requesting monitors to document when Fiscal Policies and Procedures were last updated in the Monitoring Report Letter if the contractor does not meet the best practice.	
10. Public Access	a. Contractor has and follows a written policy...	Guidance has added language that agencies may be required to share other contract-related documents, such as grant agreements and RFP responses, per Administrative Code Sec. 12L.	
12. Personnel Policies	c. Documentation of the following is maintained on file	Guidance has added language to clarify that specific employment documents are required because they serve as internal control checks to ensure that they match the budget and invoices for staffing.	