

Understanding New York City Council Discretionary Funding

Discretionary funding is a monetary award given by the New York City Council to meet local needs and fill gaps in City Agency services. There are several categories of discretionary funding used by the City Council, each serving different purposes.

This guide provides best practices and valuable resources for understanding and completing the Discretionary Award Contracting process.

Discretionary Funding Basics:

- Only nonprofits may apply.
- Non-competitive procurement process.
- Awarded for a single Fiscal Year.
- Application process begins annually in January.

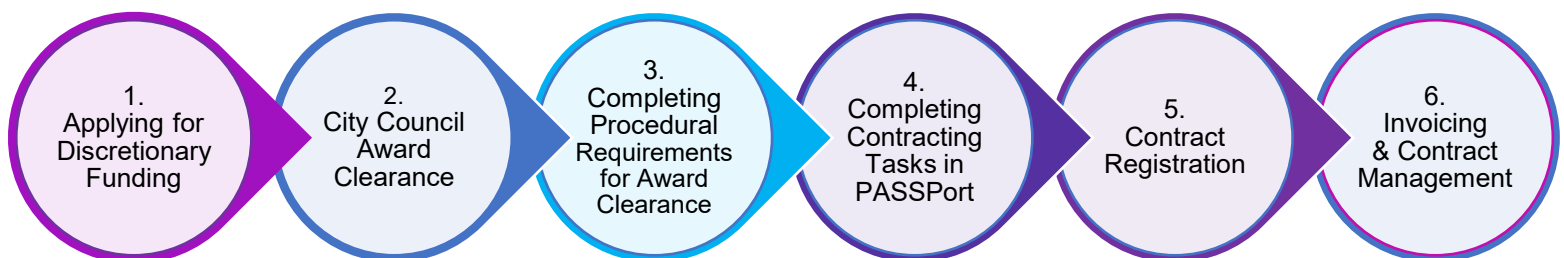
Who is Eligible to Apply for Discretionary Funding:

Only nonprofit organizations are eligible to apply for and receive discretionary funding from New York City Council. To apply, an organization must meet the following minimum requirements:

- Incorporated as a Nonprofit.
- Active registration with the [New York State Attorney General's Charities Bureau](#).
- Valid Federal Employer Identification Number (EIN).

Awardees should be the primary service providers for the programs being funded, and their requests must have a public purpose, i.e., open to members of the public. All organizations must demonstrate further eligibility via the City Council's extensive internal vetting process, which is outlined in [City Council's Discretionary Funding Policies and Procedures](#).

The Discretionary Award Contracting Process



1. Applying for Discretionary Funding

To receive discretionary funding, nonprofits must first submit a **City Council Discretionary Funding Application** to City Council. This is a form that must be filled out and submitted through the Council's online portal. The application requests information about an organization's experience, qualifications, and compliance, as well as the project or service for which the organization is requesting support.

When and Where to Apply for Discretionary Funding:

The application is made available every year on the City Council's website (council.nyc.gov/budget), starting in **early January**, where it is generally available for a six-week period. City Council's website also provides detailed information regarding the application submission schedule.

How to Check Whether Your Organization Received an Award:

After the Discretionary Funding Application deadline has passed, City Council will review all submitted applications and determine award designations. To know if your organization has received discretionary funding, please refer to the following resources:

- **Schedule C** is the adjustment to the annual adopted expense budget that designates funding for community-based nonprofit organizations, public service organizations, and City agencies. It is released following budget adoption, before the start of the new Fiscal Year (July 1st). Council funds some designations later in the fiscal year, and may change existing designations, via further adjustments called Transparency Resolutions. There may be between 8-15 Transparency Resolutions each fiscal year.
- **The Expense Funding Database** on the City Council's website makes it convenient to search for information on discretionary funding allocations. Periodic updates of information in the online database will reflect any changes and/or additions made by approved Transparency Resolutions. The database may not be updated immediately and does not reflect whether an award has fulfilled procedural requirements for contracting. The Expense Funding Database is available at https://www.nyc.gov/html/citycouncil/html/budget/expense_funding.shtml.

Discretionary providers may begin delivering services for their programmatic initiatives as early as the **start** of the Fiscal Year of designation. For example, if a provider applies for FY24 discretionary funding and is designated an award, they may begin delivering the services outlined within their application as early as July 1st, 2023.

2. City Council Award Clearance

Upon application receipt, City Council begins a thorough vetting process to assess integrity, compliance, and service delivery. If a discretionary provider's award(s) is still pending City Council Clearance after the release of Schedule C in June, then the City Council Discretionary Unit at discretionary@citycouncil.nyc.gov should be contacted to address the cause of the status.

If an award is associated with a Council Member (Council Member Item), the awardee may also reach out to their City Council Member's Office for support. While organizations should be prepared to address any integrity issues, pending City Council Clearance may also mean that the organization has not submitted all required application materials. For an outline of City Council's vetting process, please refer to [City Council's Discretionary Funding Policies and Procedures](#).

3. Completing Procedural Requirements for Award Clearance

After submitting the City Council Discretionary Funding Application, discretionary providers should immediately begin working towards **Award Clearance**. To receive full Award Clearance from the City Council and Mayor's Office of Contract Services (MOCS), an organization must complete the **Procedural Requirements** (outlined in section 3.2).



To avoid delays in registration and invoicing, organizations should aim to complete these requirements **between** the time they submit their application to City Council, and the release of Schedule C in June.

After Schedule C becomes available, City Council will transmit the award data to MOCS, which will then check each award against the provider's procedural requirements. City Council will repeat this process after each Transparency Resolution.

Please refer to the [Webinar Recording: Award Clearance for NYC Council Discretionary Funding](#) for detailed guidance on how to navigate the Award Clearance process.

The Discretionary Award Tracker

Once the first round of award designations has been made, and City Council has shared the designations with MOCS, discretionary providers will be able to view the status of their award(s) in the [Discretionary Award Tracker](#). The Discretionary Award Tracker is used as a tool to view the status of recent City Council Discretionary Awards, up to three fiscal years.

This tracker enables discretionary providers to identify and fulfill any outstanding Procedural Requirements. An award has only received full clearance once its status is displayed on the tracker as **Cleared – Contact Contracting Agency**.

If you do not see your designation reflected in the tracker, please ensure that you are entering either your organization's legal name or full EIN without the dash. Defunded or reallocated awards may not be visible on the tracker. Additionally, if an award was designated via a recent Transparency Resolution, please allow sufficient time for the tracker to update. MOCS can only review for procedural requirements upon receipt and processing of updated designation data from City Council.

The Discretionary Award Tracker is updated only **every six to eight weeks**.



This means that if an organization completed any of its Procedural Requirements **after** the tracker was last updated (see the **Data as of** date noted next to the **Search Discretionary Awards** title on the Award Tracker), the updates won't display immediately on the tracker, but instead will display with the **next update** of the Award Tracker.

What are the Procedural Requirements for Award Clearance?

The Procedural Requirements prepare discretionary providers for the contracting process. Every discretionary provider must complete the following to progress towards contracting:

- Request (and get approved) a vendor PASSPort Account.
- Complete (and maintain) HHS Prequalification in PASSPort.
- Complete the Capacity Building Training.
- Receive City Council Clearance.

Awardees solely funded by DCLA are only required to have an approved DCLA Cultural Development Fund Application, complete the Capacity Building Training, and receive City Council Clearance.

While discretionary providers must have a PASSPort Account before they can submit an HHS Prequalification Application, there is no set order in which the Procedural Requirements must be completed. Rather, it is encouraged that they be completed simultaneously so as not to cause delays in Award Clearance.

Procedural Requirement: Requesting a PASSPort Account

Except for DCLA awardees, every discretionary awardee must have an account in **PASSPort**.



The individual requesting the PASSPort account will automatically receive the **Vendor Admin** role with account administration privileges.

Requesting a vendor PASSPort account for your organization is a two-step process:

1. **Register for a NYC.ID** - If your organization already has an account with a NYC application that uses NYC.ID you can use that same email address to request a vendor PASSPort account or access your organization's existing PASSPort account.
2. Once a NYC.ID is registered (or validated), [log in](#) and **submit a vendor PASSPort account request** to MOCS for review.

For step-by-step guidance, please refer to the [Guide: Requesting a Vendor PASSPort Account](#).

Procedural Requirement: Completing HHS Prequalification in PASSPort

The HHS Prequalification (PQL) Application in PASSPort enables providers to demonstrate basic business readiness and allows the City to collect and vet providers' business information. It also gives vendors eligibility to respond to HHS solicitations released in PASSPort. To be prequalified, MOCS must review and approve your HHS PQL Application. **Note:** DCLA awardees are not required to complete HHS Prequalification.



An HHS Prequalification Application can only be completed, signed, and submitted by a user with the **Vendor Admin** role or **Vendor Procurement Level 2** role.

For detailed instructions on how to submit an HHS PQL Application in PASSPort, please refer to the [User Manual: HHS Accelerator Prequalification](#) or the [Webinar Recording: Submitting the HHS PQL Application](#).



Maintaining prequalification is very important. Prequalification lasts for 3 years **unless** a required document expires first.

Nonprofits that are required to submit their annual NYS Charities Filings must update their HHS PQL application annually to maintain prequalification. To renew, please refer to the instructions in the [User Manual: HHS Accelerator Prequalification](#) (page 26).

Procedural Requirement: Completing the Capacity Building Training

Awardees that receive **\$750,000 or more** in cumulative discretionary funding (per fiscal year) **are exempt** from completing City Council's Capacity Building Training.

Awardees **are required** to complete City Council's Capacity Building Training and obtain certification if they receive cumulative discretionary funding (per fiscal year) that amounts to **less than \$750,000**.

The Discretionary Award Tracker will automatically reflect when an organization meets exemption from the training requirement.

A Capacity Building Training Certificate is **valid for three fiscal years** and follows the specific individual that completed the course, not the organization. The training must also be completed by a board member or executive staff of the funded organization.

The Capacity Building Training is an interactive e-course. To ensure completion of the CBT, one must review each module completely and address all prompts to progress. To access the Capacity Building Training, please visit <http://mocs.matrixlms.com> and create a Matrix account. Use access code **UDKE-BQAO** to enroll in the training. Finally, [refer to these instructions](#) to complete the training. Prior to completing the training, be sure to enter your organization's EIN accurately to ensure the Discretionary Award Tracker captures the course completion by updating your organization's award status.

If there is a discrepancy on the Discretionary Award Tracker, please reach out to the [MOCS Service Desk](#) with your organization's details and the individual who completed the course.

Procedural Requirement: Receiving City Council Clearance

For City Council Clearance process details, please see section 2. City Council Award Clearance. The Discretionary Award Tracker will show an award as **Cleared – Contact Contracting Agency** when it has officially received full clearance, and the Contract Registration Process can begin.

4. Completing Contracting Tasks in PASSPort

With a **Cleared – Contact Contracting Agency** award status, the Contract Registration Process can begin in PASSPort for most Mayoral Agencies. There are a few exceptions. Currently, the following agencies process award registrations **outside of PASSPort**:

- Department of Cultural Affairs (DCLA). See also Appendix A.
- The City of New York Department of Sanitation (DSNY)
- Office of Emergency Management (OEM)
- NYC Office of Technology and Innovation (OTI)

- All Non-Mayoral Agencies (including The City University of New York-CUNY and NYC Health and Hospitals Cooperation-HHC)
- Certain programs administered by Department of Education (DOE), Department of Health and Mental Hygiene (DOHMH), and Mayor’s Office of Criminal Justice (MOCJ). See Appendix B.

MOCS and contracting agencies will work together to process discretionary awards and import them to PASSPort shortly after procedural requirements are met. Note for organizations with multiple awards: For your convenience, awards are **bundled** by fiscal year, time of clearance, and contracting agency in PASSPort.

In PASSPort, discretionary award contracts will have a status of **Draft** until the Agency initiates the contract. While the contract is in Draft, providers may view high-level information related to their contract(s), including Discretionary Award ID(s), and their agency contact(s). PASSPort will send the organization’s Vendor Admin(s) a task notification email when it is time to start the contract document submission process.



Discretionary providers should ensure their contacts have been assigned at least one of the following roles within their Vendor Profile to receive task notifications by email: **Vendor Admin** role or **Vendor Procurement Level 2** role, and **Vendor Contract Signatory** role.

Contracting Task: The Vendor Document Submission Task

Once an agency has initiated the award contract, the contract will have a status of **In Progress**. The provider will then be able to view additional information, including the Milestones Tracker, which contains a list of contract tasks and their corresponding statuses. Among these tasks is **Vendor Document Submission**.

For detailed instructions on how to navigate completing the **Vendor Document Submission Task** in PASSPort, please read [Discretionary Provider Tips for Contracting Success](#) or view the [Getting Started – Completing Contract Award Tasks](#) webinar recording.

There are three tabs a Discretionary Provider must complete within their Award Contract before they can submit the Vendor Document Submission Task: (1) the **Sites** tab, (2) the **Documents** tab, and (3) the **LL34 Compliance** tab. Please refer to the following best practices for each tab:

- **Sites:** Add an address to indicate where services will be delivered. You may add multiple sites per contract and label per award if appropriate.
- **Documents:** Discretionary providers should refer to the Contract Documents section of the [City Council Discretionary Funding page](#) for a list of documents that they may be required to complete and upload to PASSPort. There, they will be able to locate templates for specific documents, as well as a [Discretionary Contracting Document Naming Guide](#).

To fully expand the list of documents requested by the Agency within the contract, please click on the double down arrow button at the far right of the screen. This will **expand the list** and allow the user to see all the documents that must be uploaded before the task can be submitted for review.

PASSPort looks for a one-to-one document match before it allows for the Vendor Document Submission Task to be submitted. Therefore, a document must be uploaded for each **Requested Document Type**. It is important to note that Document Name and Document Type are two

different labels.



For specific questions regarding the format, template, or contents of a document, please reach out to the contract's **Agency Contact(s)** (found under the Setup Team tab) for clarification.

- **LL34 Compliance:** The LL34 Compliance tab is the digitized Doing Business Database Form and must be completed by the Vendor Admin. Once a contract is initiated by the contracting agency, the Vendor Admin cannot be changed for LL34 completion. For detailed instructions on how to complete the LL34 Compliance tab, please refer to the [Quick Guide: LL34 Compliance](#).

The form will only allow a contact to be added if a Vendor Admin has selected the LL34 box next to the contact's name within the Vendor Profile.

Within the Principal Officers section, make sure to **exclude** any officer titles that are **not** applicable to your organization by selecting the checkmark next to the title.

Upon submission of vendor documents, the contracting agency will begin their review and approval process. Please note that an agency may reject the documents, in which case the task will return to your organization. Once approved, the agency will begin working on the contract agreement.

Contracting Task: Reviewing and Signing a Discretionary Contract

After agency approval of the Vendor Document Submission Task and processing of the contract agreement, Discretionary Providers will have to complete these additional steps before contract registration:

- **Vendor Final Review:** Review the contract and assign a Vendor Contract Signatory from your Setup Team for e-signature.
- **DocuSign E-Signature Transaction:** Upon approval, the contracting agency will kick off the task, and the designated Vendor Contract Signatory will receive an email notification that will prompt them to sign the contract via DocuSign.

Please refer to the [User Manual: Contract Registration for Vendors](#) for step-by-step instructions on how to complete this step.

Contracting Task: Completing and Submitting a Budget

The contracting agency will notify the discretionary provider when it is time to complete and submit their contract budget. For several Mayoral Agencies that process contracts in PASSPort, the budgeting and invoicing processes are currently managed in HHS Accelerator. An organization's users will receive a notification from HHS Accelerator when it is time to work on their contract budget. Please reach out to your agency contact(s) for additional information about their respective agency's process for completing and submitting a budget.

5. Contract Registration

Once a contract registration package is complete, the contracting agency will submit it for registration. Most award contracts must be registered by the Office of the City Comptroller, which has up to 30 days to review and register the contract. An organization will receive an automatic email notification from PASSPort when its discretionary contract has been registered. Registration will be confirmed in PASSPort, and the provider may move forward with invoicing.

6. Invoicing & Contract Management

The discretionary award payment process is based on a **reimbursement model**, meaning that organizations must invoice against their approved budget to receive the funds. Once a contract has been registered, discretionary providers may begin working with their agency contract manager to begin invoicing and receive payment for services delivered per contract.

For several Mayoral Agencies that process contracts in PASSPort, the budgeting and invoicing processes are currently managed in HHS Accelerator. Please refer to the following financial resources for guidance.

HHS Accelerator Guides:

- [HHS Accelerator Financials](#)
- [Managing Budgets](#)
- [Invoices and Payments](#)
- [Amendments](#)
- [Budget Modification FAQs](#)

PASSPort Guides:

- [Submitting an Invoice](#)
- [Submitting Budget Modifications](#)

An organization may only be paid after agency approval of submitted invoices. Please refer to your agency's fiscal manual for additional details and contact your agency contract manager if you have any questions.

Appendix A

Department of Cultural Affairs (DCLA). Only awardees that are determined to be eligible for the [Cultural Development Fund](https://www.nyc.gov/site/dcla/cultural-funding/programs-funding.page) may receive discretionary funding through DCLA. Nonprofit cultural organizations looking to apply for the Cultural Development Fund will need to apply separately through the Department of Cultural Affairs (DCLA) by visiting: <https://www.nyc.gov/site/dcla/cultural-funding/programs-funding.page>.

Organizations that are exclusively funded by DCLA are **exempt** from the following Procedural Requirements for Award Clearance:

- Organizations do not need to create a PASSPort Account.
- Organizations do not need to complete HHS Prequalification in PASSPort.

Appendix B

Department of Health and Mental Hygiene (DOHMH). DOHMH processes certain awards in their portfolio via Public Health Solutions (PHS), **not** PASSPort. A discretionary provider should confirm whether this is the case with their agency contact and reach out to the PHS contact(s) identified by DOHMH.

Mayor's Office of Criminal Justice (MOCJ). All MOCJ discretionary awards associated with the Domestic Violence and Empowerment (DoVE) Initiative are processed through the program administrator Safe Horizon, not as sub-awardee contracts in PASSPort. Please reach out to an agency contact at MOCJ for guidance on how to contact Safe Horizon regarding an award contract.