



Date March 13, 2019

To Department of Homelessness and Supportive Housing (HSH) Providers

From Gilda Kemper, Contracts Manager

Through Gigi Whitley, Deputy Director for Administration and Finance

Cc Thomas Chen, HSH Budget and Finance Manager
HSH Contracts Team
HSH Programs Teams

Re Agreement and Invoicing Updates and End of Fiscal Year Reminders

With the end of the fiscal year approaching, HSH is providing updates on agreements and invoicing procedures, and reminders on year-end processes and deadlines.

For continuing services, HSH is implementing new timelines, policies, and procedures to ensure all providers have an executed fiscal year (FY) 2019-20 agreement prior to July 1, 2019, so services continue uninterrupted and our nonprofit partners are paid on time.

Agreements Update

Cost of Doing Business (CODB) Increases

Please note that HSH will calculate CODB increases per the HSH policy¹. In order to execute agreements on time, HSH will apply the CODB increase to providers' salary line items; however, providers will have the option to reallocate the CODB funding as they wish by the due date provided by your HSH contract manager. If providers wish to change the allocation after their agreement has been executed, you will have the opportunity to request Budget Revisions twice during the upcoming fiscal year in accordance with the Budget Revision Policy².

San Francisco Minimum Compensation Ordinance (MCO)

San Francisco's minimum wage for nonprofit entities increases to \$16.50 per hour³ on July 1, 2019. If your agency has employees, currently funded through your HSH agreement, who are compensated at a lower rate than \$16.50 per hour beginning July 1, 2019, please notify your HSH contract manager via email with the program name, position title(s), number of employees in each position, full time equivalent (FTE) per position, and current hourly rate. Providers must also provide payroll verification showing the amount of each of the MCO-impacted employees earn now. All documented MCO increases for nonprofit employees will be funded.

¹ <http://hsh.sfgov.org/wp-content/uploads/2018/10/CODB-Policy-FINAL.pdf>

² <http://hsh.sfgov.org/wp-content/uploads/2018/10/Budget-Revision-Policy-FINAL.pdf>

³ <https://sfgov.org/olse/minimum-compensation-ordinance-mco>



Please note that HSH will fund nonprofit providers' minimum wage increases separate from any applicable CODB allocation, but will not be able to address wage compression issues. Providers who received a CODB increase may choose to address wage compression issues with their FY 2019-20 CODB allocation.

Budget Revisions

Budget Revisions allow providers to revise their approved budget during the fiscal year to adjust for immediate and unexpected program needs. Budget Revisions do not add money to the agreement's budget. HSH encourages providers to review the CODB¹ and Budget Revision Policies² in advance of the March 31st deadline. Please note that pending Budget Revisions should not delay an agreement's amendment. All providers must have a valid, current agreement prior to requesting Budget Revisions. This practice will ensure HSH can pay our nonprofit partners in a timely fashion.

Amendments for Agreements with Terms Expiring June 30, 2019

Many providers have agreements with HSH with terms that expire on June 30, 2019 for continuing services. These are agreements for services that were not part of a procurement released in FY 2018-19. It is HSH's goal to amend and execute these agreements by June 30, 2019, so that providers may continue invoicing for ongoing services and be paid on time.

The HSH Contracts and Program teams are working to prepare the information necessary to extend agreement terms for at least one year. In some instances, HSH is working to combine agreements for similar services for improved efficiency.

Timeline:

- **February to March:** The Contracts team has begun to develop Appendix Bs (Budgets) based on applicable CODB allocations and other approved funding changes.
- **March to May:** The Contracts team will email Appendix As (Services to be Provided) and Appendix Bs (Budgets) for provider review and approval.
- **May to June:** HSH will review agreements internally for final approval and route to providers for signatures, and then route for City approval.

To achieve this goal, HSH asks that providers respond to all requests within the deadlines provided by your HSH contract manager when receiving the agreement documents. To ensure a smooth and efficient process, HSH asks that providers utilize the HSH provided Appendix B, Budget template and not exceed the allocated budget amounts.

New Agreements Next Steps

In FY 2018-19, HSH released more than 14 procurements for new and existing services. It is HSH's goal to execute agreements for continuing services by June 30, 2019 and agreements for new services as soon as possible.



In order to ensure that agreements are executed in a timely manner, HSH asks that providers respond to all requests within the deadlines provided by your HSH contract manager and propose budgets within the awarded allocation amounts.

Housing and Urban Development (HUD) Continuum of Care (CoC) Grantees

HSH is discontinuing the use of Memorandums of Understanding (MOUs) for federally funded Rental Assistance in order to comply with all applicable federal and local regulations. New agreements funded by the federal HUD CoC for Rental Assistance will be created or, in some cases, combined with existing General Funded services for the same building.

Existing HUD CoC agreements will be updated with the most recent HUC CoC award amounts. The Appendix B (Budget) and CARBON will be updated accordingly. Please note that CoC sub-recipient grantee budgets are updated annually based on final HUD awards.

Continuing Agreements

For agreements with current terms, HSH plans to update the FY 2019-20 Appendix Bs (Budget) in CARBON and apply applicable CODB ¹ in July and August. As with new agreements and term amendments, HSH asks that providers utilize the provided templates and respond to questions within the requested timeline to ensure timely payment.

Invoicing Update

HSH is reviewing, approving, and processing all submitted invoices within 15 days after receipt of an undisputed invoice, which is aligned with the City's Prompt Payment guidelines. In most cases, HSH is processing undisputed invoices within seven business days.

In order to provide prompt payment on invoiced work, HSH restructured the staff assigned to review and approve invoices in August 2018. Since then, the number of invoices that were paid outside of a 30 day window fell from 15 to zero and those paid outside of a 15 day window dropped from 59 to one.

HSH is committed to making prompt payments on submitted invoices and would like to be made aware of any issues providers may experience so that we can resolve them in a timely manner. Should you experience delays or have any concerns regarding submitted invoices or prompt payment, please email your HSH contract manager, as listed in CARBON, or directly email the Contracts Manager, Gilda Kemper, at gilda.kemper@sfgov.org.

Providers are Required to Invoice HSH Monthly

Receipt of invoices on a monthly basis allows HSH to plan for review, and reconcile any issues in order to deliver payments swiftly. HSH asks that providers submit their invoices to HSH on a monthly basis, per the requirements of your agreement.

Additionally, in an effort to ensure that all providers are paid for services delivered, HSH is taking a pro-active approach by tracking programs that are one or more months late in submitting invoices and following up with providers, as necessary. HSH asks that providers promptly respond to these



communications and ensure that invoices are submitted in CARBON by the 15th of each month, or, as defined in your agreement.

Year-End Reminders

May Invoice Procedures

In order to address potential year-end cash flow issues, providers may submit May actual expenditures and projected June expenditures when submitting the May invoice. May invoices are due no later than June 15, 2019. The June invoice, due no later than July 15, 2019 should include June actuals. Any difference in the projected and actual costs incurred will be reconciled by HSH fiscal and payment will be adjusted accordingly.

Invoice Submitted	Covering Period of	Include
No later than June 15	May and June	May actuals and June projections
No later than July 15	June	June actuals

Advances

All FY 2018-19 advance repayments should be made within the period specified in each Advance Approval Letter, and all recoveries should occur within this fiscal year, which ends June 30, 2019.

Advance requests for FY 2019-20 funding should be made in accordance to the Appendix C, Method of Payment on executed agreements.

Reports and Requirements

Relatedly, in order for HSH to conduct year-end processes in a timely manner, HSH asks that providers review their agreements to ensure that year-end requirements and final reports are delivered within the specified timeline. Questions regarding year-end reports should be directed to your HSH Program Manager, as listed in CARBON.

It has been an exciting year and we look forward to continuing to improve our processes. Should you have specific questions about the status of your agreement or invoicing, please do not hesitate to contact your assigned contract manager as listed in CARBON, or the Contracts Manager, Gilda Kemper, at gilda.kemper@sfgov.org.

Thank you on behalf of HSH.

