



**Grants  
Management**

**New York State Prequalification  
System for  
Grants Contract Vendors**

**A Resource Manual and User's Guide  
For  
Nonprofit Vendors  
June 2019  
Version 3.1**

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# 1. Introduction

## 1.1 New York Grants Management: A Brief Overview

New York State implemented a suite of reforms to facilitate the grantee process for nonprofits competing for State contracts. These reforms included the creation of the following:

- Grants Gateway, a statewide online grants management system;
- Grants Opportunity Portal, which allows nonprofits to search for upcoming RFP opportunities offered by State agencies;
- Document Vault, a secure web-based ‘filing cabinet’ which nonprofit vendors can use to store and share documents with multiple State Agencies;
- Master Contract for Grants, a simplified, standardized contract; and
- Prequalification, a system of determining nonprofit vendor eligibility to apply for State contracts based upon a vendor responsibility determination which assesses, among other things, the vendor’s capacity, legal compliance, and integrity.

## 1.2 First Step: Registration

Nonprofit vendors are required to register with the Grants Gateway. Detailed instructions on how to register along with all necessary forms are available at <https://grantsmanagement.ny.gov/register-your-organization>.

## 1.3 Background

State Finance Law §163(9) (f) requires that State agencies deem a bidder responsible prior to awarding the bidder a State contract. Prequalification identifies deficiencies in nonprofits at an earlier stage – before bidding – which allows state agencies to assist these organizations in correcting deficiencies, where appropriate. This allows the State to maximize the potential pool of qualified vendors, thus increasing competition for services.

## 1.4 Scope

Prequalification is effective for all New York State grants contracts issued by the following State Agencies:

- Council on the Arts
- Department of Agriculture & Markets
- Department of Corrections and Community Supervision
- Department of Economic Development
- Department of Environmental Conservation
- Department of Health
- Department of Labor
- Department of State
- Department of Transportation
- Developmental Disabilities Planning Council
- Division of Criminal Justice Services
- Division of Housing & Community Renewal

- Division of Veterans' Affairs
- Dormitory Authority
- Empire State Development Corporation
- Governor's Traffic Safety Committee
- Interest on Lawyers Account
- Justice Center for Persons with Special Needs
- Office for People with Developmental Disabilities
- Office for the Prevention of Domestic Violence
- Office of Alcoholism & Substance Abuse Services
- Office of Children & Family Services
- Office of Homeland Security & Emergency Services
- Office of Indigent Legal Services
- Office of Mental Health
- Office of Parks Recreation & Historic Preservation
- Office of Temporary & Disability Assistance
- Office of Victims Services
- State Education Department
- State Office for the Aging

## **2. Vendor Rights**

### **2.1 No Guarantee of Award**

Prequalification must not be construed as a guarantee of an award of contract. Prequalification determines a vendor's eligibility to bid for a State contract, or its eligibility for contract renewal or amendment. In the event that the prequalified vendor submits a bid for a competitive contract, the sponsoring State agency is charged with making an assessment of whether the vendor is both responsible and has the capacity and requisite skills to carry out the requested services.

### **2.2 Investigations**

In submitting an application for prequalification, vendors are giving permission to the reviewing State agency to carry out such investigations and research as the State agency considers necessary to determine whether the vendor meets the relevant prequalification criteria.

### **2.3 Confidentiality**

Information submitted in a prequalification application will be treated as confidential and will not be disclosed to any parties outside of the State unless the State agency is legally required to do so or in situations where the State agency must obtain legal or financial information from outside parties.

Any subsequent information pertaining to the vendor's performance on specific contracts may only be shared with or made available to other State agencies for the purpose of monitoring a vendor's performance or determining a vendor's continued eligibility for prequalification, unless otherwise requested or permitted by the vendor.

## 3. Requirements

### 3.1 Eligibility

Incorporated nonprofits vendors are eligible to apply for prequalification. However, an unincorporated entity wishing to do business with New York State should use a legally incorporated and prequalified sponsor or fiscal agent.

### 3.2 Exemptions

Certain nonprofit organizations – as defined on the Grants Management website – are exempted from the requirement to prequalify. To receive an exemption, a vendor must, at the time of its registration with the Grants Gateway, submit a: (1) Registration Form for Administrator; and (2) Prequalification Exemption Form, along with the required supporting documentation. Both are available on the Grants Management website. Exempt organizations will receive the Grants Gateway status of “NFP Prequalification Exempt.”

## 4. Assessment Criteria

Vendors seeking prequalification will be reviewed for the following criteria: organizational capacity, legal and regulatory compliance, and integrity.

### 4.1 Organizational Capacity

A nonprofit vendor must demonstrate that it has the organizational capacity, including its operational management capabilities, to operate a sound human services organization, fulfill its contractual obligations, and deliver services in a cost-effective manner. In making decisions regarding a vendor’s capacity, prequalification specialists will consider the size of the vendor and the length of time it has been in business.

Vendors must answer the following questions.

#### Question 1:

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Does your organization have a system in place whereby someone within the organization is authorized to receive money, and someone else is authorized to disburse money?

#### Rationale

**For large and more established organizations** with operating budgets of greater than \$1 M – we expect there to be evidence of proper internal fiscal controls, such as a separation of financial functions. If this is not present in your agency, please provide an explanation of how you are insuring that internal controls are maintained. **For small nonprofits of less than \$1 M** – while we recognize that staff may be limited, we expect organizations to take measures to ensure that internal fiscal controls are implemented.

#### Question 2:

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Does the organization have an automated payroll system?

## Rationale

Automated systems can save staff time and reduce the risk of error.

### Question 3:

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Does your organization use an electronic financial management system?

## Rationale

Sound organizations will have an electronic accounting system to minimize error. This can be a program as simple as QuickBooks or a program that is more sophisticated like FundEZ. The nonprofit is strongly encouraged to consider an electronic financial management system.

### Question 4:

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Does the senior staff team meet on a regular and consistent basis?

## Rationale

In a healthy organization, the senior management team should be meeting regularly to ensure that the organization is meeting its organizational and contractual objectives, resolving outstanding disputes, and identifying problems and forecasting solutions.

We understand that small organizations with a lean staff tend to “meet” informally, but you should explain how your senior staff is reviewing its contractual obligations in this informal environment.

### Question 5:

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Does your organization conduct regular annual performance evaluations for staff?

## Rationale

Organizations should conduct performance evaluations annually, at a minimum. Businesses invite legal problems if performance reviews are not conducted and documented on a regular basis. Please indicate whether evaluations are being conducted or suggest a plan for implementing such a review policy.

## Resources

For a good example of a performance evaluation and professional development scheme for staff, visit the [Community Resource Exchange](#) for guidance.

### Question 6:

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Does your organization create professional development plans for the staff in conjunction with staff performance reviews?

#### Rationale

Organizations should prepare professional development plans in conjunction with staff performance evaluations whenever possible. We strongly encourage this practice because it fosters staff retention and succession planning.

#### Resources

For a good example of a performance evaluation and professional development scheme for staff, visit the [Community Resource Exchange](#).

Also, please consult with your local and online resources for free professional development opportunities, such as those offered through New York Community Trust, Support Center for Not-for-profit Management, Nonprofit Coordinating Committee of New York, and the New York Council of Nonprofits.

### Question 7:

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Is staff required to participate in training annually?

#### Rationale

Professional development and staff training are different and have different objectives. Staff training can be provided utilizing internal resources and can be conducted with in-house senior staff.

### Question 8:

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Identify the Information technology and telecommunications systems utilized by your organization. (Telephone, internet, email account, mobile device, facsimile).

#### Rationale

There is no right or wrong answer here, just provide as much information as possible.

## 4.2 Legal and Regulatory Compliance

A nonprofit vendor must demonstrate that it has the appropriate legal structure, licenses, and accreditations to transact business in the State of New York. Questions pertaining to leadership and governance seek to ensure accountability and transparency.

Vendors must answer the following questions.

### Question 1:

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Did a quorum of the board of directors meet regularly throughout the year in conformance with the organization's bylaws?

#### Rationale

The nonprofit's bylaws determine the frequency of board meetings and what constitutes a quorum. A large and established organization should follow its bylaws to the letter. A small or emerging organization should have bylaws it can live up to.

#### Resources

For guidance on how to view board management and oversight, refer to [this document](#).

### Question 2:

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Does the board of directors take and maintain minutes of all of its regular meetings, in compliance with its bylaws?

#### Rationale

The taking of meeting minutes of all general board meetings is an important component of organizational record-keeping and a way for boards to maintain and chronicle the nonprofit's legal structure. Upon demand, the nonprofit should be able to produce minutes.

#### Resources

For a brief article on the need for and value of board minutes, visit the [Nonprofit Law Blog](#).  
For a template of board meeting minutes, refer to [this document](#).



**Question 3:**

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Is the frequency with which the board meets throughout the year consistent with your organization's bylaws?

**Rationale**

A nonprofit's bylaws determine the frequency of board meetings and what constitutes a quorum.

A large and established organization should follow its bylaws to the letter. A small or start-up organization should have bylaws it can live up to.

**Resources**

For guidance on how to view board management and oversight, refer to [this document](#).

**Question 4:**

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Did the board committees meet regularly throughout the year in conformance with the organization's bylaws? If the bylaws do not describe the board committee structure, please describe the number of times each committee met during the past year.

**Rationale**

The nonprofit bylaws should offer guidance on both the type of board committees to be formed and the frequency they should meet throughout the year. At a minimum, an agency should have a fiscal committee that should meet prior to the full board meeting.

While it is not required, a schedule of committee meetings over the past year would serve as evidence that your board committees were meeting on a regular basis.

**Resources**

For help on understanding board structures and the importance of committees, refer to [this document](#).

**Question 5:**

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Indicate all the items the board of director's reviews and/or approves (annual operating budget, executive performance and compensation, fundraising plan, internal controls, fiscal controls, annual audit, Form 990, performance outcomes, other).

**Rationale**

Please scroll through the box and check off all options that apply. An organization's board of directors should review all of the indicated items if the board is properly exercising its fiduciary duties. If your board reviews some but not all of these items, please explain why.

**Resources**

For guidance on a nonprofit board's obligations, refer to [this document](#).

**Question 6:**

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Does your board review financial statements on a regular and consistent basis? How frequently does the board or board committee review financial statements?

**Rationale**

An organization's board of directors should review financial statements at least quarterly and/or at every full board meeting. If your board does not conduct such reviews, then your board must attend a board training. To become prequalified, your organization must show evidence of this training and creation of a stronger financial review system.

**Resources**

For more information on board oversight, its fiduciary obligations and its role in reviewing financial statements, refer to [this document](#).

**Question 7:**

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Does the organization reconcile bank statements on a monthly basis? If not, how often are bank statements reconciled?

**Rationale**

Bank statements should be reconciled monthly, or in keeping with procedures of the nonprofit's fiscal policy. Failure to regularly and consistently reconcile bank statements could point to a more serious operational deficiency.

**Question 8:**

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State whether the organization has implemented internal fiscal controls by separating fiscal functions, for example.

**Rationale**

There should be a system of checks and balances in a fiscally sound organization. Therefore, the nonprofit should provide information demonstrating that contracts and checks are co-signed over a particular dollar amount, for example, and/or that parties with contract signing authority are not the same individuals with fiscal signing authority.

**Resources**

Refer to [this document](#) for guidance on how to put proper internal controls in place, particularly the section on “Monitoring Internal Controls”, which speaks to separation of duties.

**Question 8A:**

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Identify those individuals with contract signature authority.

**Rationale**

Please list the names of all staff members and/or board members who are authorized to sign contracts on behalf of the organization and state whether co- signature is required.

**Question 8B:**

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Identify those individuals with check writing authority.

**Rationale**

Please list the names of all staff members and/or board members who are authorized to sign checks on behalf of the organization and state whether co- signature is required.

**Question 9:**

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Please upload all licenses, accreditations, and permits required for your business in the Optional Documents section of the Document Vault.

**Question 10:**

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Does your senior management team regularly view your organization’s overall performance data? If not, please describe the organization’s practice regarding performance data review.

**Rationale**

Ideally, the senior management team of a healthy organization should be reviewing performance data on a monthly or quarterly basis to ensure that contract performance goals are on target.

**Question 11:**

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Which of the following policies and procedures does your organization have in place?

- **Anti-nepotism policy**
- **Staff code of conduct**
- **Board of Directors Conflict of Interest Policy**
- **Conflict of Interest Policy**
- **Diversity Policy**
- **Fiscal/Internal Controls Policy**
- **Supervision and Performance Evaluation Policy**
- Whistleblower Policy
- Emergency Preparedness Policy
- Security Policy
- Succession/Transition Plan
- Personnel Recruitment/Screening/Hiring Policy
- Personnel Retention and Retention Plan
- CEO Compensation policy
- Document retention policy
- Continuity of Operations Plan
- None of the Above

**Rationale****For large organizations:**

We expect your organization to have all of the listed policies in place. If not, please provide explanation and indicate your intentions for adopting same.

**For small organizations:**

We prefer that your organization have all of the listed policies in place but, at a minimum, we are requiring that you have in place all of the policies listed in bold. If not, please provide an explanation and indicate your intentions for adopting these policies. (Exception – Whistleblower Policy is required only of large organizations over \$1M.)

While we are not currently asking organizations to upload their policies, please be aware that you may be asked for copies of the policies you claim to have adopted at the time you apply for a State contract.

**Question 12:**

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Does your organization have a written and posted Equal Employment Opportunity (EEO) policy?

**Rationale**

EEOC mandates official postings of EEO laws for organizations of greater than 14 employees and strongly recommends that the required posters be placed conspicuously throughout the worksite. The official EEOC poster includes the EEO regulations pertaining to the Equal Pay Act, which applies to ALL employers, regardless of size. Therefore, we recommend that all nonprofits post the EEO rules and the EEOC poster, or otherwise distribute them to staff, regardless of size.

**Resources**

For information on EEO guidelines and where to get the EEOC posters for the workplace, refer to the [EEOC website](#).

**Question 13:**

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Please upload your Certificate of Assumed Name, if applicable, in the Optional Documents section of the Document Vault.

**Rationale**

If your organization uses a business name that is different from the one listed on your Certificate of Incorporation, then you must submit a Certificate of Assumed Name. This certificate is sometimes called the “doing business as (DBA) certificate.”

**Question 14:**

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Does your organization have Minority and Women-owned Business Enterprises (MWBE) and Service-Disabled Veteran-Owned Businesses (SDVOB) policies regarding any work it conducts with outside providers, sub-contractors, consultants, vendors or partners?

**Rationale**

MWBE and SDVOB policies are required of NY State nonprofit vendors and goals will be applied to NY State grants contracts where there are subcontracting opportunities and availability of certified MWBEs and SDVOBs to provide goods or perform services under the contract.

**Resources**

Pursuant to New York State Executive Law Article 15-A and Parts 140-145 of Title 5 of the New York Codes, Rules and Regulations (regarding MWBEs) and Executive Law Article 17-B and Part 252 of Title 9 of the New York Codes, Rules and Regulations (regarding SDVOB), vendors are required to promote opportunities for the maximum feasible participation of MWBEs and SDVOBs in the performance of State contracts. The State has set goals for contract utilization at 30 percent for MWBE and 6 percent for SDVOBs, but please contact the relevant state agency regarding any agency-specific MWBE and SDVOB policies that may apply. Also, if your organization does not currently have an MWBE policy in

place, please refer to the Grants Management website and download the [template Board Resolution](#) that incorporates that new policy language. Review this with your board and have it adopted.

### 4.3 Organizational Integrity

The Integrity questions pertain to matters of organizational and business ethics. Many are drawn directly from the Vendor Responsibility Form, which is familiar to most nonprofits. These questions are structured in a simple yes or no format. “Yes” answers will, in most cases, invite further inquiry from a prequalification specialist; they will not necessarily render a vendor “Not Prequalified.” The term “you” shall refer to the individual responding to the questionnaire and any member, including senior staff, key employees, and board members of the organization and its affiliates.

Vendors must answer the following Integrity questions:

#### Question 1:

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Within the past five years, have you or any of your affiliates been suspended or debarred from any contracting process or been disqualified on any government procurement? If “Yes” answer, identify the government entity/owner(s) involved, project(s), contract number(s), relevant dates and any remedial or corrective action(s) taken and the current status of the issue(s).

#### Question 2:

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Within the past five years, have you or any of your affiliates been subject to a denial or revocation of a government prequalification? If “Yes” answer, identify the government entity/owner(s) involved, project(s), contract number(s), relevant dates and any remedial or corrective action(s) taken and the current status of the issue(s).

#### Question 3:

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Within the past five years, have you or any of your affiliates been denied a contract or had a bid rejected based upon a finding of non-responsibility by a government entity? If “Yes”, provide a brief description of the circumstances of such incident(s) and any remedial or corrective action(s) taken and the current status of the issue(s).

#### Question 4:

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Within the past five years, have you or any of your affiliates been suspended, cancelled or terminated for cause on any contract? If “Yes” answer, identify the government entity/owner(s) involved, project(s), contract number(s), relevant dates and any remedial or corrective action(s) taken and the current status of the issue(s).

#### Question 5:

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Within the past five years, have you or any of your affiliates had a revocation, suspension, or disbarment of any business or professional permit and/or license? If “Yes”, provide a brief description of the circumstances of such incident(s) and any remedial or corrective action(s) taken and the current status of

the issue(s).

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**Question 6:**

Within the past five years, have you or any of your affiliates been the subject of an investigation, whether open or closed, by any government entity for a civil or criminal violation? If "Yes", provide a brief description of the circumstances of such incident(s) and any remedial or corrective action(s) taken and the current status of the issue(s).

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**Question 7:**

Within the past five years have you or any of your affiliates been the subject of an indictment, grant of immunity, judgment or conviction (including entering into a plea bargain) for conduct constituting a crime? If "Yes", provide a brief description of the circumstances of such incident(s) and any remedial or corrective action(s) taken and the current status of the issue(s).

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**Question 8:**

Within the past five years, has any individual previously identified, any other key employees not previously identified, or any individual having the authority to sign, execute, or approve bids, proposals, contracts or supporting documentation with New York State been subject to an investigation, whether open or closed, by any government entity for a civil or criminal violation for any business-related conduct? If "Yes", provide a brief description of the circumstances of such incident(s) and any remedial or corrective action(s) taken and the current status of the issue(s).

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**Question 9:**

Within the past five years, has any individual previously identified, any other key employees not previously identified, or any individual having the authority to sign, execute, or approve bids, proposals, contracts or supporting documentation with New York State been subject to an indictment, grant of immunity, judgment, or conviction of any business-related conduct constituting a crime including, but not limited to, fraud, extortion, bribery, racketeering, price fixing, bid collusion or any crime related to truthfulness? If "Yes", provide a brief description of the circumstances of such incident(s) and any remedial or corrective action(s) taken and the current status of the issue(s).

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**Question 10:**

Within the past five years, have you or any of your affiliates received any formal unsatisfactory performance assessment(s) from any government entity on any contract? If "Yes", provide a brief description of the circumstances of such incident(s) and any remedial or corrective action(s) taken and the current status of the issue(s).

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**Question 11:**

During the past three years have you failed to file any returns, including, if applicable, Federal Form 990, with any Federal, State or Local government entity? If "Yes", provide a brief description of the circumstances of such failure(s) to file and any remedial or corrective action(s) taken and the current status of the issue(s).

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**Question 12:**

During the past three years have you failed to file returns or pay New York State Unemployment insurance? If yes, indicate the years you failed to file/pay the insurance and the current status of the liability.

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**Question 13:**

During the past three years, have you failed to file documentation requested by any New York State agency, public authority or other quasi-state entity, with the Attorney General of the State of New York, or with any other local, State or Federal entity that has made a formal request for information? If yes, indicate the years the business entity failed to file the requested information and the current status of the matter.

## 4.4 Required Documents

The following documents are required to be uploaded into the **Not For Profit Required Documents** section of the Document Vault.

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**Document 1:**

Certificate of Incorporation or Equivalent Document

### Document Details

Upload a copy of your certificate of incorporation, State Charter or equivalent document, depending on your organizational structure.

### Rationale

Only incorporated entities can prequalify and bid for contracts. If a nonprofit vendor seeking prequalification is unincorporated because it is a program of a parent corporation, then the parent company or fiscal agent and not the unincorporated entity must prequalify. If the vendor is a newly formed entity and has not yet incorporated, it should do so immediately. The Department of State can incorporate an organization within 24 hours with its online expedited service. Please see the following [link](#) for more information.

Acceptable documents include:

- A Certificate of Incorporation issued by the NY State Dept. of State
- A Charter issued by the NY State Education Dept.
- A County Certificate of Incorporation and Bylaws for a religious organization
- Articles of Incorporation for a foreign corporation, PLUS the certification showing that the organization is registered to do business in NY State.

Also, if the organization name has changed since the time of incorporation, you must attach the Certificate of Assumed Name.



## Resources

For an example or template of nonprofit articles of incorporation, refer to the [Department of State](#) website. Refer to [this document](#) for filing instructions.

## Document 2:

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IRS 501(c) Determination Letter

### Document Details

Upload a copy of IRS 501(c) determination letter.

### Rationale

We recognize that not every not-for-profit applies for 501(c) tax exemption. Therefore, if your organization has not filed for IRS tax exemption status, please provide a signed statement to that effect on organization letterhead. If your organization has filed with the IRS and the determination is pending, submit verification of your pending application with the IRS.

### Resources

For basic guidelines on the IRS rules and regulations pertaining to tax exempt status and for filing guidelines, refer to the [IRS website](#).

## Document 3:

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IRS 990

### Document Details

Upload a copy of the organization's most recent IRS Form 990.

### Rationale

All tax-exempt organizations are expected to submit their most recent Form 990 (990N, 990T) as part of the prequalification application.

If your organization has requested an exemption, please upload all documentation either requesting or granting the exemption status.

### Resources

For a good idea of what the Prequalification Specialists will be looking for when reviewing your Form 990, and for board members who want to know more about how to examine their organization's 990, [refer to this website](#).

**Document 4:**

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Audit/Reviews and Findings

**Document Details**

Upload the most recent audited financial statement, financial review, or internal financials and findings.

**Rationale**

In NY, organizations with revenues greater than \$750K must provide an independently audited financial statement.

Organizations with revenues of less than \$750K but greater than \$250K must provide a financial statement reviewed by a CPA.

Organizations with revenues of less than \$250K need only provide a copy of the most recent internal financial report.

If your organization does not have an audited financial statement or CPA review for the past fiscal year, then please provide a statement explaining the delay, and submit a copy of the organization's financial report for the past fiscal year.

**Certain Exempt Organizations:**

Those entities exempted by Executive Law § 172-a from submitting financial disclosure materials to the Attorney General's Charities Bureau (such as religious organizations involved in exclusively non- secular activities) should, regardless of their annual revenue, provide their most recent internal financial report reviewed by the board. This is the same financial disclosure requirement for prequalification that applies to organizations with revenues of less than \$250,000.

**Document 5:**

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CHAR500 or CHAR410

**Document Details**

Upload a copy of the CHAR 500 or CHAR 410.

**Rationale**

All nonprofit organizations required to register with the Attorney General's Charities Bureau must register by filing a CHAR410 and file the CHAR 500 annually with the NY State Charities Bureau. Please upload your most recent report.

Nonprofits that are not required to register with the Attorney General's Charities Bureau, but chose to file the CHAR 410 and Schedule E with the Charities Bureau to document exemption, should upload the

Char 410 and Schedule E.

Nonprofits that are not required to register with the Attorney General’s Charities Bureau and chose not to file the CHAR 410 and Schedule E with the Charities Bureau to document exemption, should complete and upload the Schedule E.

## **Resources**

Refer to the [Attorney General’s website](#) for CHAR 410 or CHAR 500 forms and guidance.

## **Document 6:**

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Board of Directors Profile

### **Document Details**

Upload a copy your Board Profile including the names of your board members, a brief profile of each one, stating their employer or affiliation, years on the board, office held and Committee participation.

### **Rationale**

Under N-PCL, a not-for-profit organization, upon formation, must name a minimum of 3 individuals to serve as its initial board members. Ideally, 5-15 individuals should be identified to serve on the organization’s board of directors.

Please provide a profile of each board member including the information requested. Full resumes are not required.

### **Resources**

For the basic rules on establishing a nonprofit corporation, including the rules pertaining to board membership, refer to the [instructions document](#) on the Department of State website. Also refer to the [FAQ section](#) of the Department of State website.

## **Document 7:**

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Senior Leadership Resumes

### **Document Details**

Upload Senior Leadership Resumes or CVs. Organizations must upload copies (submitted together in a single .pdf) of all of the senior or key employees in the organization. These individuals might include the Executive Director, the Financial Officer, and the top Program Director.

### **Rationale**

It is important that our nonprofit partners are led by effective managers with the skills to deliver the services for which they are seeking a State contract, to competently manage a staff, and to efficiently administer government contracts.

Please provide resumes or CVs of all key employees who manage the day-to-day operations of the organization. These employees may include such people as the Executive Director (or CEO), the Financial Director (or CFO), the Assistant Executive Director (or COO), and/or lead Program Manager.

## Document 8:

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Corporate Bylaws

### Document Details

Upload a copy of your corporate bylaws, adopted by your organization's board of directors.

### Rationale

Corporate bylaws are essential to organizational good governance. Bylaws lay out the basic rules of the board structure, operational management, mission and the direction of the agency.

### Resources

The [Nonprofit Ally website](#) provides information about and a template for bylaws.

## 5. Process

### 5.1 Determination

Prequalification specialists, usually from the vendor's primary funding partner, will evaluate prequalification applications in accordance with the requirements and assessment criteria outlined above and any additional information available pertaining to the vendor or its affiliate(s) as necessary when considering the vendor's application. Prequalification specialists will contact vendors when vendor information is incomplete or requires clarification. The State aims to make its determination within 10 days from its receipt of the prequalification application. The prequalification specialist will prequalify the vendor if the vendor has answered all questions in a satisfactory manner and provided the necessary documents. The final assessment of a vendor's Prequalification Application will be either "Prequalified" or "Not Prequalified."

### 5.2 Notification

The Grants Gateway will notify vendors via email regarding the outcome of their applications for prequalification. In order for vendors to receive notification emails, it is critical that vendors keep their contact email addresses current. Vendors may also login to the Grants Gateway after submission of their Prequalification Applications to check their status.

### 5.3 Record

After the prequalification specialist has made a prequalification determination, she will retain the relevant documents and notes in a file and, in her discretion, explain her determination in a memorandum. If the vendor files an appeal, the prequalification officer will review these documents.

### 5.4 Prequalification Officer's Role

If a vendor wishes to appeal an adverse decision against it, the vendor's request must be directed to the prequalification officer, as noted below. The prequalification officer also monitors consistency and timeliness of prequalification reviews across State agencies.

## 5.5 Maintaining Prequalification

The term for prequalification is one year, absent any violations or offenses that might be cause for suspension or revocation. (For more information, see Section 5.7, below). In order to maintain its prequalification status, a vendor is required to update annually its IRS Form 990, Audited Financial Statement, and CHAR 500 (or CHAR 410). The vendor must also update these documents and forms following a material change in any of these areas. When one or more of a vendor's documents is due to expire, the Gateway will send to the vendor an email notification. If the vendor fails to act in the time allotted to update its expired documents, the vendor will lose prequalification and the ability to compete for State grants and contracts. A vendor must also update its Capacity, Integrity, and Compliance forms on a yearly basis and following a material change in any of these areas.

## 5.6 Prequalification Review

At any time, a State agency may review the vendor's prequalification status. A review is generally triggered when a vendor:

- Performs on a contract in an unsatisfactory manner;
- Changes materially its organizational structure, or its technical, financial, or management capacity;
- Has had its license or registration to practice restricted, or its third party certification withdrawn;
- Has committed an act of contractual non-compliance;
- Has failed to comply with the terms and conditions of prequalification; or
- Has failed to meet the terms of the Vendor Responsibility process.

## 5.7 Suspension or Revocation

A State agency may suspend or revoke a nonprofit vendor's prequalification status when the State agency finds that the vendor no longer meets the standards for prequalification. The Grants Gateway will notify the vendor by email of the suspension or revocation.

## 5.8 Appeals

Any vendor who has been denied prequalification, or who has had their status suspended or revoked, may appeal in writing to the prequalification officer within twenty days of the vendor's receipt of written notice from the agency's prequalification specialist. The prequalification officer can be reached by mail at Prequalification Officer, Executive Chamber, State Capitol, Albany, NY 12224. The prequalification officer shall within ten days of the receipt of a written request either: (1) reverse the agency's decision and prequalify the entity; (2) affirm the agency's decision to deny prequalification; or (3) furnish a written acknowledgment of the receipt of such request and a statement of the approximate date, which shall be



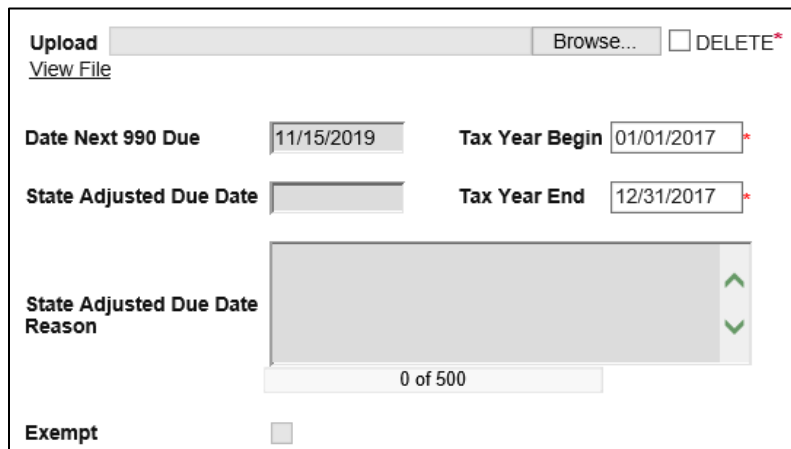
reasonable under the circumstances of the request, when a determination will be made and the vendor notified. The prequalification officer may convene a panel of three independent prequalification experts from State agencies or authorities to consider the matter under appeal; if so convened, the panel will decide the matter by majority vote.

## 6. APPENDICES

### 6.1 Required Financial Documents

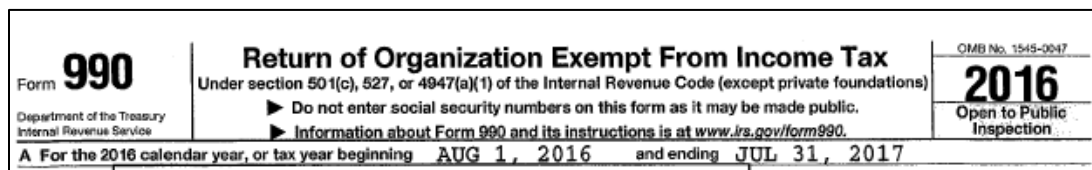
It is imperative that nonprofits upload their most recently filed financial documents. This appendix provides direction on how to identify the Tax Year Begin and Tax Year End dates when uploading the IRS 990, CHAR 500/410 and Audited Financial Statement.

The importance of entering the correct Tax Year End date cannot be overstated. This value is used to automatically calculate the Date Next Due field, which prompts notifications for the annual review and, where the review is not completed timely, triggers loss of prequalification.



#### 6.1.1 IRS 990

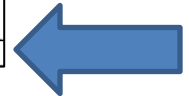
When uploading the most currently filed IRS 990, Tax Year Begin and End dates can be found at the top of the form.



#### 6.1.2 CHAR 500/410

When uploading the most currently filed CHAR 500, Tax Year Begin and End dates can be found at the top of the form.

<p><b>CHAR500</b> NYS Annual Filing for Charitable Organizations www.CharitiesNYS.com</p>	<p><u>Send with fee and attachments to:</u> NYS Office of the Attorney General Charities Bureau Registration Section 120 Broadway New York, NY 10271</p>	<p><b>2016</b> <b>Open to Public Inspection</b></p>
<p><b>1. General information</b></p>		
<p>For Fiscal Year Beginning (mm/dd/yyyy) <b>08/01/2016</b> and Ending (mm/dd/yyyy) <b>07/31/2017</b></p>		



When uploading the CHAR 410, enter the begin and end date for the most recently completed tax year.

### 6.1.3 Annual Audit Statement

Enter the begin and end date of the corresponding tax year. In most cases the current audit statement will cover the same period as the most recently filed IRS 990.

## 6.2 Exemptions

Nonprofits that are not required to file one or more of the above financial documents must upload supporting documentation and/or a written statement explaining the basis for their exemption. When completing the upload, the nonprofit should enter the begin and end date of their most recently completed tax year.

All provided documentation will be evaluated by the State. Where supported, the Prequalification Specialist will mark the Exempt checkbox on the organization’s behalf. Nonprofits do not have access to the Exempt checkbox.

Upload  Browse...  DELETE\*

[View File](#)

Date Next 990 Due  Tax Year Begin  \*

State Adjusted Due Date  Tax Year End  \*

State Adjusted Due Date Reason

Exempt

