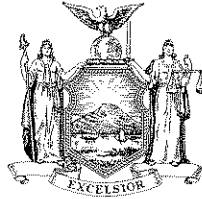


THOMAS P. DINAPOLI  
STATE COMPTROLLER



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OFFICE OF THE STATE COMPTROLLER

July 26, 2010

Dear Session Participant:

I am very pleased to provide a brief summary to you of the discussion and results of the recent Not-for-Profit – State Agency Strategy Session held on June 21<sup>st</sup> at the Office of the State Comptroller (OSC).

As you know, this session brought together the findings and recommendations from statewide forums coordinated by Comptroller Thomas P. DiNapoli with not-for-profit agencies and associations over the past several months. A distinguished group of not-for-profit agency and association leaders, along with State agency executives from the major human services funding agencies engaged in a constructive and highly focused discussion on ways to improve prompt payment, streamline (State) contract-related oversight, data collection and monitoring, and ways to promote strategic alliances and capacity building initiatives in the NFP sector. A series of issues, concerns, possible action items and recommendations were deliberated by participants at this session.

Comptroller DiNapoli opened this session by describing the conditions facing not-for-profits, their critical role in service delivery for thousands of New Yorkers, and how they serve “as a vital economic contributor and create critical pathways to employment opportunities.”

The Comptroller was followed by presentations from Secretary of State Lorraine Cortés-Vázquez and Susan Hager, CEO and President of the United Way of New York State. These speakers farmed the various ways that State government could improve coordinated oversight of agencies in ways that create efficiencies for not-for-profits and improve upon the effective use of data. Their respective presentations focused on how a more ideally coordinated and effective system of accountability could benefit both sectors. Nine subsequent speakers from the not-for-profit sector and State agencies then provided further detailed presentations in several major discussion areas.. This session also included a highly informative presentation by Jennifer Walty from the NYC Mayor’s Office and Chris Winward from the Human

Services Council which sparked consideration of a number of related NYC initiatives including a document repository “vault.”

The Comptroller stated his support for taking immediate steps that can provide relief for agencies as well as staying on course with longer term measures that may require legislative action.

As a result of this session, participants indicated their strong support for continued efforts on the following issues including possible steps such as:

- **Contracts Working Group** – a group of interested State agencies working with OSC Bureau of Contracts staff (with input from NFP agencies when needed) on solutions and best practices in a number of contracting areas including:
  - 5<sup>th</sup> quarter financing
  - Multi-year contract terms
  - Standardized contracts/language and consolidated contracts
  - Electronic contracting
  - Standard performance-based contract terms
  - Coordinated performance audits (contract monitoring)
  - Prompt contracting
- **Revolving Loan Fund** – examine possible legislation to fully fund this program and make it more accessible to NFPs, by adding a line of credit aspect that would be repaid from contract payments. This loan fund program would need to be structured in a manner that also assists not-for-profits experiencing delayed payments where interest payments should be provided.
- **Document Repository** – OSC will follow up with NYC to explore how they have used their “vault” system and how this might translate to a possible future document repository within the OSC’s VendRep system (session participants also mentioned the possible benefits of such a repository having data analysis capabilities).
- **Report** – draft a full report summarizing recommendations from the statewide forums and the June 21<sup>st</sup> session.
- **Summit** – in early 2011, convene a summit of not-for-profit agencies and associations along with State agency leaders to discuss issues, recommendations

and needed action items. This session would also serve to examine the trends and issues in the NFP sector, its economic impact and an annual report that monitors the status of pertinent legislation and regulatory reform.

- **Grants management audit** – convene State agencies for a discussion on best practices based around the findings of OSC’s grant management audits of State agencies expected to be finalized later this year.
- **Other likely next steps** – there is opportunity for further collaboration between State agencies, not-for-profits, community foundations, etc. on strategic alliances, facilitating opportunities for shared services, etc.

In addition, OSC will continue to move ahead with an ongoing process of outreach and liaison to NFPs on contract issues, including training on the contract process, access to unclaimed funds due to NFP agencies, and technical support regarding possible models of collaborations.

Interested representatives should contact Elliot Pagliaccio, Assistant Comptroller for Strategic Planning at (518) 473-7520 or via email: [epagliaccio@osc.state.ny.us](mailto:epagliaccio@osc.state.ny.us) or Angela S. Dixon, Deputy Comptroller for Human Resources and Administration at (518) 474-5512 or via email: [adixon@osc.state.ny.us](mailto:adixon@osc.state.ny.us) any with questions or for assistance you may require.

I appreciate your continued support and assistance, and please do not hesitate to provide any other recommendations or issues you feel would be pertinent to consider as we move forward in these areas.

Sincerely,



Elliot Pagliaccio  
Assistant Comptroller  
Strategic Planning and Program Effectiveness