

Intro. Res. No. 1570-2016  
Introduced by Presiding Officer, on request of the County Executive

Laid on Table 6/1/2016

**RESOLUTION NO. 614 -2016, ADOPTING LOCAL LAW NO. 22 -2016, A LOCAL LAW AMENDING CHAPTER 189 OF THE SUFFOLK COUNTY CODE TO REQUIRE ONLINE FILING OF CONTRACT AGENCY DISCLOSURE FORMS AND TO CLARIFY PROVISIONS RELATING TO CONTRACT AGENCY ADMINISTRATIVE EXPENDITURES**

**WHEREAS**, there was duly presented and introduced to this County Legislature at a regular meeting held on June 1, 2016, a proposed local law entitled, "**A LOCAL LAW AMENDING CHAPTER 189 OF THE SUFFOLK COUNTY CODE TO REQUIRE ONLINE FILING OF CONTRACT AGENCY DISCLOSURE FORMS AND TO CLARIFY PROVISIONS RELATING TO CONTRACT AGENCY ADMINISTRATIVE EXPENDITURES**"; and said local law in final form is the same as when presented and introduced; now, therefore be it

**RESOLVED**, that said local law be enacted in form as follows:

**LOCAL LAW NO. 22 -2016, SUFFOLK COUNTY, NEW YORK**

**A LOCAL LAW AMENDING CHAPTER 189 OF THE SUFFOLK COUNTY CODE TO REQUIRE ONLINE FILING OF CONTRACT AGENCY DISCLOSURE FORMS AND TO CLARIFY PROVISIONS RELATING TO CONTRACT AGENCY ADMINISTRATIVE EXPENDITURES**

**BE IT ENACTED BY THE COUNTY LEGISLATURE OF THE COUNTY OF SUFFOLK**, as follows:

**Section 1. Legislative Intent.**

This Legislature finds that the County of Suffolk has adopted guidelines and technical requirements, as well as financial filing and reporting requirements, for County contract agencies for the purpose of increasing oversight and accountability in the use of County funds by these agencies.

The Legislature further finds that these requirements provide that there be a separate resolution, passed by a two-thirds vote of the full membership of the Legislature, for approval of County funds to a contract agency that has administrative expenditures greater than twenty percent of its agency program expenses in a fiscal year.

The Legislature finds that in addition to these requirements, contract agencies must file annual disclosure forms with the Suffolk County Department of Audit and Control containing information regarding the contract agency's program revenues, direct program expenses, administrative expenses and top five employee salaries.

This Legislature further finds that in an effort to facilitate the filing of these disclosure forms, along with associated documents (audited financial statements or financial report; schedule of

all employees and their salaries) and to allow for a more concise and expedient review, the Department of Audit and Control has developed a new online reporting tool.

This Legislature further finds that confusion persists in regard to which contract agencies are required to file, as well as what constitutes “administrative expenses” for both funding and filing purposes.

This Legislature finds and determines that in order to streamline the filing process, refine the technical requirements and support the Department of Audit and Control’s objective of achieving contract agency filing compliance, Chapter 189 of the SUFFOLK COUNTY ADMINISTRATIVE CODE should be amended to provide greater clarity and precision regarding technical and filing requirements.

Therefore, the purpose of this local law is to amend Chapter 189 of the SUFFOLK COUNTY CODE to clarify certain guidelines and requirements for contract agencies and to require online filing of contract agency disclosure forms and other financial documentation.

**Section 2. Amendments.**

1. Article VII of Chapter 189 of the SUFFOLK COUNTY ADMINISTRATIVE CODE shall be amended as follows:

**Chapter 189**

**PURCHASING and CONTRACTS**

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**Article VII**

**Guidelines and Requirements for Contract Agencies**

**§ 189-39. Legislative Intent.**

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C. This Legislature also finds that while the use of contract agencies has proven to be cost-effective, the Suffolk County Legislature has enacted legislation to increase oversight and accountability, including Local Law No. [9-2001] 18-2013, which requires that each contract agency submit their completed Contract Agency Disclosure Form, most recent audited financial statements or financial report for the Contract Agency’s most recent fiscal year, and a schedule of full-time employees and their salaries for the previous calendar year to the Suffolk County Department of Audit and Control no later than September 15<sup>th</sup> of each year [expenditure disclosure by contract agencies. More recently, Resolution No. 1153-2006 established an Ad Hoc Contract Agency Oversight Committee in the County Legislature to identify potential duplication of services and promote accountability and efficiency among contract agencies].

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**§ 189-40. Definitions.**

As used in this article, the following terms shall have the meanings indicated:

## **ADMINISTRATIVE EXPENSES**

Expenses associated with the maintenance and administration of a contract agency's day-to-day business and which are not directly associated with contract agency program expenditures. Administrative Expenses may include salaries and related benefits for the Contract Agency's highest level of management (i.e., Executive Director, Chief Executive Officer, etc.), their supporting staff (i.e., administrative assistants, secretarial staff, clerical staff, etc.) and the cost of operating the administrative office (i.e., professional fees, accounting fees, office expenses, equipment rental, utilities, etc.). [Expenses incurred in the general direction of an enterprise as a whole, as contrasted with expenses of a more specific programmatic function. This term shall include salaries of top officers and associated general office expenses, but shall not include the costs of administering a corps of volunteers; administering federal, state or other pass-through funds; disseminating educational materials for a public purpose; or administering the collection and distribution of food to the needy.]

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### **§ 189-41. Requirements.**

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C. No contract agency, determined by the County Department of Audit and Control [, pursuant to § C4-35 of the Suffolk County Charter,] to have incurred total administrative expenses greater than 20% of reported total agency [program] expenses in a fiscal year, shall be eligible for funding by the County of Suffolk from County funds, in any subsequent fiscal year, unless: (1) such funding is approved by a separate, standalone resolution or procedural motion of the Suffolk County Legislature. Such a resolution will require a two-thirds vote of the full membership of the Legislature for approval;[.] or (2) the Suffolk County Department of Audit and Control determines that the contract agency has reduced its total administrative expenses to below 20% of reported total agency expenses. The provisions of this subsection shall not apply to any contract agency whose total reported revenues were fifty thousand dollars (\$50,000) or less for the previous fiscal year or any contract agency which does not have any salaried employees and is solely comprised of volunteers. In the event a contract agency reduces such administrative expenses to 20% or less of reported agency program expenditures, as determined by the Department of Audit and Control, then such contract agency shall become eligible again for funding by the County of Suffolk.

2. Article XIII of Chapter 189 of the SUFFOLK COUNTY ADMINISTRATIVE CODE shall be amended as follows:

### **Chapter 189**

#### **Article XIII**

#### **Evaluation of Contract Agencies by County Departments; Contract Agency Financial Disclosure Requirements**

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### **§ 189-66. Disclosure by contract agencies.**

A. Each contract agency shall be required to complete and submit an online contract agency disclosure form to the Department of Audit and Control no later than September 15<sup>th</sup> of each year. Such contract agency disclosure form shall include such content and be in such form as determined by the Department of Audit and Control, but, at a minimum, shall require that the contract agency set forth the contract agency's program revenues from all sources and expenses from all sources, administrative expenses and contract agency's top five employee salaries.

B. Simultaneously with the contract agency's submission of the online contract agency disclosure form, the contract agency shall also submit, online, its most recent audited financial statements or IRS Form 990, or profit/loss statement and balance sheet for the contract agency's most recent fiscal year and a schedule of all full-time employees and their salaries for the previous calendar year.

C. No later than June 30<sup>th</sup> of each year, the Department of Audit and Control shall send notification of the disclosure requirements required by this section to each contract agency. Such notification shall include the link or website portal address where the contract agency may access the online contract agency disclosure form and the individual password that the contract agency must use to access and submit the contract agency disclosure form.

[A. No later than June 30 of each year, the Department of Audit and Control shall send a contract agency disclosure form to each contract agency. The information provided in the disclosure form shall include, but not be limited to, the contract program's revenues from all sources, its direct program expenses and administrative expenses and top five employee salaries.

B. All contract agencies must submit their completed disclosure form, their most recent audited financial statements or a financial report for the agency's most recent fiscal year, and a schedule of all employees and their salaries for the previous calendar year to the Department of Audit and Control no later than September 15 each year.]

C.] D. A contract agency's failure to submit its disclosure form and/or any other required document shall constitute noncompliance. A noncompliant contract agency shall not receive funding for any of its programs in the subsequent year's operating budget. Funding may be restored through a standalone resolution only after all required information has been submitted.

[D.] E. This section shall not apply to any town, village, fire district, library district or ambulance district.

### **Section 3. Applicability.**

This law shall apply to all actions occurring on or after the effective date of this law.

### **Section 4. Severability.**

If any clause, sentence, paragraph, subdivision, section, or part of this law or the application thereof to any person, individual, corporation, firm, partnership, entity, or circumstance shall be adjudged by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section, or part of this law, or in its application to the person, individual, corporation, firm, partnership, entity, or circumstance directly involved in the controversy in which such order or judgment shall be rendered.

**Section 5. SEQRA Determination.**

This Legislature, being the State Environmental Quality Review Act (SEQRA) lead agency, hereby finds and determines that this law constitutes a Type II action pursuant to Section 617.5(c)(20), (21), and/or (27) of Title 6 of the NEW YORK CODE OF RULES AND REGULATIONS (6 NYCRR) and within the meaning of Section 8-0109(2) of the NEW YORK ENVIRONMENTAL CONSERVATION LAW as a promulgation of regulations, rules, policies, procedures, and legislative decisions in connection with continuing agency administration, management and information collection. The Suffolk County Council on Environmental Quality (CEQ) is hereby directed to circulate any appropriate SEQRA notices of determination of non-applicability or non-significance in accordance with this law.

**Section 6. Effective Date.**

This law shall take effect immediately upon filing in the Office of the Secretary of State.

[ ] Brackets denote deletions of material.  
\_\_\_ Underscore denotes the addition of new material

DATED: June 21, 2016

APPROVED BY:

/s/ Dennis M. Cohen  
Chief Deputy County Executive of Suffolk County

Date: June 30, 2016

After a public hearing duly held on June 22, 2016  
Filed with the Secretary of State on August 3, 2016