

STANDARD MONITORING FORM
Nonprofit Contractor Fiscal Monitoring
Fiscal Year 2026-2027

This form outlines the fiscal and governance standards that will be reviewed as part of the Citywide Nonprofit Monitoring and Capacity Building Program. City departments and nonprofit organizations participating in the monitoring process are expected to use this form to document compliance with the applicable standards.

Each year, City departments that fund nonprofit contractors identified for fiscal monitoring will participate in a coordinated Citywide monitoring process. Nonprofit organizations selected will be required to demonstrate compliance with the standards contained in this form. For additional information regarding the program and monitoring process visit the website: <https://www.sf.gov/controllers-office-programs-policies-and-information-nonprofit-contracting>.

- Monitoring includes all fiscal and governance standards identified in this form and applies to all nonprofit organizations selected for fiscal monitoring through the annual risk assessment process. The City reserves the right to request additional documentation not listed on this form if needed to determine conformance with the below fiscal monitoring standards.
- Monitoring may be conducted virtually, with nonprofit organizations providing requested documentation electronically, or in person at the discretion of the City Monitoring Team. For in-person reviews, advance notice will be provided, and most documentation will be submitted electronically with selected records reviewed on-site.
- City departments are responsible for coordinating monitoring activities, reviewing submitted documentation, and documenting findings in accordance with Citywide monitoring procedures.
- Nonprofit organizations are responsible for providing timely access to requested records, responding to monitoring inquiries, and participating in the review process.
- An exit conference between nonprofit representatives and City staff will be conducted whenever questions arise during the review or when significant findings are identified.

Standards Required for Monitoring

Monitoring Standards	Monitoring Guidance for Departments and Nonprofit Contractors	Acceptable Documentation Checklist*
1. Payroll ☐ a. State DE 9 and federal 941 payroll tax returns were filed by the end of the month following the end of the quarter for monitoring months under review	Department Guidance: Request and review the Contractor's DE 9 and 941 returns, payroll tax verification, bank statements, and payroll register/journal for the months under review. If departments have already requested payroll or timesheets for the months under review as part of invoice processing, do not request documents again; share relevant payroll documents with the monitoring team as needed.	☐ DE 9 ☐ 941 ☐ Payroll tax payment proof ☐ Timesheets/Time studies ☐ Staffing allocation plan

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☐ b. Documentation that payroll taxes due were actually paid ☐ c. If employee time is paid by more than one source, it is recorded by funding source or program on timesheets, or tracked separately via time study ☐ d. Employee and supervisor signatures on timesheets (e-timesheets are acceptable, with demonstration or verification of e-signature, written procedures about how e-timesheets are signed or any verifiable approval) ☐ e. All changes to timesheet are initialed by supervisor and employee (e-timesheets are acceptable with demonstration or verification of the approval process for changes, written procedures about how e-timesheets are changed or any verifiable approval)	For item b., the contractor should provide either a canceled check (when the organization does not use payroll services) or the invoice/statement from a payroll preparation company that indicates they paid the payroll tax for the quarter. If monitors uncover evidence elsewhere in financial documents that payroll taxes had not been paid for quarters other than the one being reviewed, mark this as a finding. <u>Failure to pay payroll taxes is criteria for placement on Tier 2 of the Corrective Action Policy.</u> Departments with federal funding in their contracts may choose to request timesheets at any point to validate payroll expenses on invoices. For item c., If contractor does not use functional timesheets, a time study is required. Monitors should request a copy of the time study completed for the sampled employees. If a valid time study cannot be provided, this is a finding. Timesheets should be prepared monthly or more frequently, represent actual time and effort (i.e., after-the-fact, by program staff), be distributed by program or funding sources, and encompass all activities performed by employee (i.e., account for 100% of an employee's time). For salaried staff, time studies should be conducted on a regular basis, though frequency may be based on the degree of task variability experienced by staff. Visit https://www.sf.gov/sites/default/files/2022-05/Timesheet_Time_Study_Guidance.pdf for more about timesheets and time studies. Nonprofit Guidance: Nonprofits must maintain payroll and time allocation records that support 100% of employee time charged to City funded programs. Records must reflect actual time worked, identify the applicable programs or funding sources, and be prepared to at least monthly. Timesheets or time studies must include appropriate employee/supervisor approvals and documentation of improved revisions. Payroll allocations must be supported by actual payroll records and time and effort documentation. Nonprofits should also maintain documentation supporting timely payroll-tax filings and payments.	☐ Bank/payment record if needed to verify tax payment If a Professional Employer Organization (PEO) is involved: Submit Detailed Payroll Registry
2. Agency-wide Budget ☐ a. Current (fiscal or calendar year)	Department Guidance:	☐ Detailed agency-wide budget ☐ Current cash flow projections

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☐ b. Shows income and expense by program ☐ c. Shows allocation of shared and indirect costs by program ☐ d. Shows fundraising separate from program expenses ☐ e. Clearly distinguishes City, state, federal, and other revenue sources separately including foundations, donors, etc. ☐ f. 15% of funding from non-City sources or contractor can demonstrate non-City fundraising efforts, where applicable ☐ g. Includes annual cash flow projections and updated projections reflecting changes during the budget year	Request and review cash flow projections and the detailed agency-wide budget (not a consolidated or roll-up budget). Budgets do not need to be by funding source, but income sections should show all revenue sources. Item b. asks that budgets reflect the total revenue and expense for each program, including when one program has multiple funding sources. Budgets only organized by funding source may not meet the standard. Item e. asks that budgets list revenue sources separately at a detailed contract or grant level. Consolidated/roll-up budgets are not acceptable. For item f., ask for a list of funders that should include private foundations, individual donors, state, or federal revenue sources, documented in-kind services, or documented volunteer hours and might be verified through the budget, letters of intent, board fundraising committee notes, or other descriptions of solicitation efforts. If nonprofit has not made the 15% goal, request documentation showing fundraising plans. For item g., request the current cash flow projection, evidence of updates during the year, revision dates, and explanations for significant changes or variances. Straight-line projections of cash flow are not generally considered reasonable or sufficient. To assess cash flow statements, ask Contractor about the following areas: • Verify the date of a planned fundraising event, and the timing of expenditures and revenues associated with the event. • Verify that the timing of invoicing to the department matches receipt of funds projected in the cash flow budget (e.g., there can be delays in invoicing at the start of a new fiscal year). • At a high level, assess whether the contractor has updated prior months with actual revenue and expenditure. If the contractor cannot provide reasonable explanation for these considerations, the standard is not met. Nonprofit Guidance: Provide the current agency-wide budget, including all program and administrative budgets, with revenue and expenses clearly identified. The budget must show the	☐ Supporting allocation standards/rules ☐ Non-City funding/fundraising support

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	allocation of shared and indirect costs, separate fundraising expenses from program expenses, and categorize revenue by funding source (e.g., City, state, federal, foundation, donor, and other). Budget numbers are evaluated against invoice and cost allocation procedures. The budget, invoices and cost allocation plan should all support each other. All allocation calculations, methodologies, and resulting allocated amounts must be clearly documented within the submitted budget or supporting schedules. Documentation should be sufficient for City reviewers to verify the accuracy of allocations and funding distributions without performing independent calculations. If applicable, include supporting documentation for non-City funding and fundraising efforts.	
3. Cost Allocation Procedures ☐ a. Cost allocation procedures and plan for <u>shared</u> costs are documented in a written narrative or in the footnotes of the current approved agency-wide budget ☐ b. Process for allocating <u>shared</u> program costs is consistent and reasonable ☐ c. Cost allocation procedures and plan for <u>indirect</u> costs are documented in a written narrative or in the footnotes of the current approved agency-wide budget ☐ d. Process for allocating <u>indirect</u> costs is consistent and reasonable ☐ e. Procedures for cost allocation match actual cost allocation found in agency-wide budget and financial documents	Department Guidance: The agency should have an overall budget and reasonable cost allocation plan based on how shared or common costs are distributed across programs. The agency's approach to allocating shared costs by funding source might vary according to organizational size, complexity, and other public compliance standards. Request the cost allocation plan, plus supporting schedules, allocation bases, formulas, and examples showing how the methodology was applied to the current budget or financial reports. Intent of cost allocation standards: Ensure that Contractors understand the full cost of each program to support effective management decisions. Ensure that City contracts do not pay for more than the cost of the program that they are supporting. Reasonable = makes sense and is appropriate to the type of program, e.g., square footage for rent, FTEs for salaries, etc. Consistent = same methodology for the same types of costs across all programs (e.g., method for allocating rent is the same across all programs).	☐ Written cost allocation plan and allocation schedules/formulas ☐ Staffing allocation plan ☐ Sampled payroll/time records ☐ Staffing allocation plan ☐ General ledger

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☐ f. Invoiced costs shared across departmental contracts are allocated consistently and appropriately and are reasonably aligned to program and funding source in the agency-wide budget	Inconsistent = using highly variable bases, e.g., number of participants in a program, salaries without monthly reconciliation. For item e. to determine whether cost allocation is occurring according to documented procedures, each participating funding department should review supporting financial documentation. Assess whether cost allocations are consistent with the agency-wide budget, cost allocation plan, and staffing allocation plan. Begin by examining common shared cost categories such as salaries and rent, as these typically span multiple funding sources and programs. For item f., to test whether cost allocation is occurring according to documented procedures, each funding department participating in the monitoring should review two months of invoices already in its possession. Compare these invoices to one another, to the agency-wide budget, and to the cost allocation plan. Begin by examining salaries and rent, as these line items most commonly apply across multiple funding sources and programs. Contractors should provide a Staffing Allocation Plan and functional timesheets with employee time broken down by program rather than a summary reporting of total hours worked. Functional timesheets should include program-level detail such that staff hours can be charged to specific programs based on timesheets. If contractor does not use functional timesheets, a time study is <i>required</i>. Monitors should request a copy of the time study completed for the sampled employees. If a valid time study cannot be provided, this is a finding. Review the staffing allocation plan to determine whether any staff are shared across programs. If issues are identified, monitors may expand the review to additional months and/or additional cost items. Nonprofit Guidance: Nonprofits must demonstrate that shared and indirect costs are allocated using a documented, reasonable, and consistent methodology that is applied both in the agency-wide budget and in actual billing. The cost allocation plan must be fully written and include narratives, footnotes, schedules, allocation bases, calculations, and examples that show precisely how shared and indirect costs are distributed across programs and administrative functions. The plan should provide enough detail for reviewers to verify that combined City charges do not result in duplicate billing or exceed the actual underlying payroll or operating cost. Organizations must also	

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	include support showing how the allocation methodology was applied to the current agency-wide budget and financial reports, ensuring clear alignment between the plan, the budget, and billed costs. This documentation allows City reviewers to confirm that allocations are reasonable, consistently applied, and appropriately reflected in financial reporting.	
4. Audited Financial Statements ☐ a. Completed and complete: all sections and statements included opinion and other audit letters are signed; sections include: - Opinion Letter - Statement of Financial Position (Balance Sheet) - Statement of Activities (Income Statement) - Statement of Cash Flows - Statement of Functional Expenses - Footnotes - Management Letter ☐ b. Unmodified opinion ☐ c. No material weaknesses mentioned in the audit or management letter ☐ d. No going concern stated in the notes to the financial statements ☐ e. No current audit findings, significant deficiencies and/or questioned costs mentioned within the audit or management letter	Department Guidance: Apply these standards when Contractor meets the criteria to receive an audit per the Controller's Office policy (see link). Per the policy, City monitors should first use the City Administrator's public list (see link) of webpages as part of the Annual Economic Statement reporting requirement to find each organization's audit. If not posted, then the department should request it directly from the nonprofit. All standards in this section apply regardless of whether a Contractor received a standard audit of financial statements or a single audit. If Contractor has been required to receive an audit of its financial statements but has not done so, monitors should mark 4a and 4f as findings; no other standards in this category apply. All other standards in this category (4b-4e and 4g-4i) apply only when reviewing actual audit documents. Item a.: The management letter is not a part of the publicly issued audit. Monitors must request that the Contractor submit a management letter for the monitoring. If the contractor did not receive a management letter, they should state this in writing when providing documents for the monitoring. When a contractor receives a standard audit of financial statements, and if there are any audit findings, deficiencies or questioned costs, the auditor documents these issues via a management letter instead of the audit itself (as is done for Single Audits). Use the management letter to review of Items c. and e. Item b.: An Unmodified Opinion includes wording such as, "In our opinion, the accompanying financial statements present fairly the financial position of ABC agency at the fiscal year ending June 30, 2025, in conformity with generally accepted accounting principles." This standard applies whether the contractor received a standard audit of financial statements or a single audit.	☐ Management letter or statement that one was not provided ☐ Prior year audit Note: Annual audits must be submitted within nine months after the end of the organization's operating year. ■ Calendar Year - December 31 st ■ Federal Year -September 30 th ■ Fiscal Year – June 30th

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☐ f. Audit completed within nine months of the close of the contractor's fiscal year Financial Assessment: ☐ g. Total unrestricted net income (change in net assets) is positive over the sum of 2 consecutive years, or the contractor provides a reasonable explanation for how it will be positive by the end of the fiscal year Change in net assets = ☐ h. Total change in cash is positive over the sum of 2 consecutive years, or agency has a reasonable explanation and/or plan to reverse cash outflow Change in cash = ☐ i. In current audit, agency has at least 30 days of operating cash Days of operating cash = days	Item c.: Material weaknesses may be mentioned directly within a single audit. In a standard audit of financial statements, some information about current year weaknesses may only be included in the management letter. Item d.: A footnote is required when auditors identify a going concern, whether this is a standard audit of financial statements or a single audit. Item e.: When a contractor receives a standard audit of financial statements, the auditor will document any audit findings, significant deficiencies and/or questioned costs via a Management Letter, which must be requested separately. In a single audit, the auditor will note these issues in the public version of the report. If the auditor notes "findings," "significant deficiency" or "questioned costs" either in a management letter or within the single audit, then mark Item e. as a finding. Item f.: If monitoring occurs before the current fiscal year audit is due (for example, monitoring in November when the audit is due March 31), the department must follow up with the agency after March 31 to request the completed audit. If the audit is not complete at that time, mark findings 4a and 4f and share the updated findings with the agency. This standard is interested in timeliness of audit completion, to be more effective as a management tool. This standard applies whether the contractor received a standard audit of financial statements or a single audit. Items g. through i.: These standards may indicate problems in agency's financial health and apply whether contractor received standard audit of financial statements or single audit. Item g.: Using the Statement of Activity, document the change in net assets (unrestricted net income) in the highlighted field. If negative, include minus sign (-) to indicate negative change. Net income should be positive over the sum of two consecutive years. If the number is negative, it could mean that the organization is relying on debt or investments to fund its day-to-day operations. Item h.: Using the Statement of Cash Flows, add amounts in the line item "Increase (decrease) in Cash and Cash Equivalents" for current year and prior year. Document	

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	the calculation of change in cash in the highlighted field. If negative, include minus sign (-) to indicate negative change. The number should be positive, or agency should have a reasonable explanation. Item i. Operating Cash = $\frac{(\text{Cash} + \text{Investments})}{[(\text{Operating Expenses} - \text{Bad Debt} - \text{Depreciation}) / 365]}$ The numerator is found on the Balance Sheet. If an agency has investments, they are generally documented as such, either separately or incorporated into the “cash” section. The denominator items are found on the Statement of Functional Expenses and are labeled in those terms. Document the result (number of days of cash) in the highlighted field. If the result is less than 30 days, the standard is not met and should be marked as a finding. Note: Review the audit to identify where the auditor highlights nonprofit funding sources. This may support the monitor’s assessment of the organization having at least 15% from non-City sources per standards in the Agency-Wide Budget section of this form. Nonprofit Guidance: Submit the complete most recent audit package, including audited financial statements, opinion letter, footnotes, Statement of Functional Expenses, Statement of Cash Flows, and management letter. If no management letter was issued, provide written confirmation that a management letter was not received. (If the audit is not complete, provide the engagement letter, expected completion timeline, and prior year audit.) If the audit includes findings, significant deficiencies, material weaknesses, going concern language, negative unrestricted net income, or negative cash flow, provide management's response, corrective action plan, recovery plan, and supporting assumptions.	
5. Financial Reports Balance Sheet (aka Statement of Financial Position): ☐ a. Balance Sheet is current (as of the last three months, at least) ☐ b. Working capital ratio is greater	Department Guidance: Contractors only need to supply the most recent YTD Balance Sheet, Bank Reconciliation and Profit and Loss Statement. To meet the standards, both should be current, meaning they should be updated and reconciled within three (3) months of department’s request via the Initiation Letter. If the department issues the	☐ Balance Sheet (within three months of the initiation letter date) ☐ Profit & Loss statement (within three months of the initiation letter date)

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than 1 Working capital ratio = Bank Statements/Reconciliation: ☐ c. Current bank reconciliation (as of the last three months, at least) Profit and Loss Statement (aka Statement of Activity): ☐ d. P&L Statement is current (as of the last three months, at least) ☐ e. Shows year-to-date (YTD) income and expense by program, contract or funding source, including indirect costs ☐ f. Year-to-date net income is either a positive number, or the Contractor provides a sound explanation of how it will be positive by the end of the fiscal year Year-to-date net income = 	Initiation Letter on February 1, the submitted documents must show reconciliation occurred no earlier than November 1 of the prior year. Item b. Working Capital = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ <u>Document the calculated working capital ratio in the highlighted field.</u> Divide Current Assets (all assets that could be converted to cash in less than 1 year) by Current Liabilities (all money owed by the agency and due within 1 year). A ratio greater than 1 signals the short-term capacity to pay all current liabilities from current asset sources. This measure shows the capital needed to carry out the day-to-day work and should always be positive. <u>Current Assets</u> = Cash + Cash Equivalents + Accounts Receivable + Inventory + Marketable Securities <u>Current Liabilities</u> = Accounts Payable + Grants Payable + Accrued Salaries + current long-term debt Item e.: Request the chart of accounts (cross check the general ledger) to better understand the agency's structure and confirm no co-mingling of funds has occurred when reviewing the income and expenses by program or funding source. Item f.: <u>Document the year-to-date net income (from the P&L statement)</u> in the highlighted field. If negative, include minus sign (-) to indicate negative change. The standard requires reviewers to assess whether the contractor can be positive by fiscal year-end, which requires support beyond a point-in-time P&L. Nonprofit Guidance: Provide the most recent year-to-date Balance Sheet, Profit & Loss Statement, and Bank Reconciliation within the timeframe specified by the City (should be within three months of the monitoring documents submission due date). Include the chart of accounts and general ledger detail sufficient to show year-to-date income and expense by program, contract, or funding source, including indirect costs. If YTD	☐ Bank reconciliations (within three months of the initiation letter date) ☐ Targeted chart of accounts ☐ General ledger ☐ Year-end forecast/recovery explanation if YTD net income is negative

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6. Fiscal Policies and Procedures ☐ a. Upon turnover of executive director and/or fiscal manager, policies and procedures are reviewed within one year of the change [if applicable] ☐ b. Policies are current (updated or reviewed within the past two calendar years to reflect monitoring/audit results) ☐ c. Complete (contains policies and procedures related to: - <u>Internal controls</u> (including safeguarding of assets, authorization of transactions, reconciliation of accounting records) - <u>Financial reporting</u> - Accounts payable - Accounts receivable - <u>Payroll</u> (including accounting for leave, signature requirements, documentation of salary levels) - <u>Conflict of Interest</u> - <u>Subcontracts and Monitoring Reimbursement Policy</u> ☐ d. Implementation of policies and procedures demonstrates appropriate <u>internal controls</u>, including segregation of duties	net income is negative, provide a written explanation, updated forecast, recovery plan, and supporting assumptions for expected year-end results. Department Guidance: Items a-b.: Policies must be reviewed when leadership changes, and should be assessed every two years, even if no changes are necessary. Agencies can meet the standard by creating a version history to show reviews occurred and when policies were last updated. If the Contractor does not meet the standard, <u>document the date when the Fiscal Policies and Procedures were last updated in the Preliminary Findings Letter.</u> Item c.: The document should address ALL items in the list with sufficient detail to be actionable, and should be specific to the agency, not generic. Monitors must cross-reference manual(s) to the specific standards listed in item c. to ensure nonprofit actions match written procedures, per item d. Note: While not all policies may be consolidated within a single “Fiscal Policies and Procedures” document, monitors should request any relevant policies that are maintained separately (e.g., record retention, travel, etc.) for review. Item d.: Actual implementation may vary based on internal operations. The following are examples of reasonable practices, and monitors should test whether each agency’s policies are reasonable and implemented according to their Fiscal Policies and Procedures as outlined in item c. • Expenses are pre-approved [test: signed approval forms] • Someone performs spot-checks of fiscal practices to test policies are being followed • Bank statements are opened/reviewed by staff or board member who does not have accounting responsibilities [test: bank statement showing address] • Checks over threshold amount (e.g., \$500) are signed by two staff [test: canceled checks] • Agency follows its own (and funders’) policies for timely invoicing • Agency conducts a biannual equipment inventory [per federal requirements, if applicable] Nonprofit Guidance:	☐ Fiscal policies manual with approval date ☐ Version history of previous manual with date ☐ Evidence of approval workflow

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	Nonprofits must submit comprehensive fiscal policies and procedures that include version history, revision logs, approval dates, and documentation of timely review cycles. Organizations should disclose any Executive Director or Fiscal Manager turnover during the lookback period and, if applicable, provide evidence that all fiscal policies were reviewed within one year of the leadership change. Policies must, at a minimum, address internal controls; financial reporting; accounts payable and receivable; payroll; procurement; conflict of interest; subcontracts and fiscal sponsorships; record retention; and travel reimbursement. Documentation should demonstrate that policies are complete, reviewed on schedule, updated when needed, and implemented through reasonable internal controls and segregation of duties.	
7. Board Oversight Fiscal Standards: ☐ a. Minutes show that the Board approved the current agency-wide budget within at least three months of the start of the fiscal year ☐ b. Minutes show that financial reports are shared with the Board (or finance committee) at least quarterly, or more regularly when financial concerns warrant it ☐ c. Minutes show that the Board reviewed the most recent audit within the fiscal year ☐ d. Minutes show that the Board reviewed the most recent IRS Form 990 (or is distributed to members) ☐ e. Conflict of Interest policy is signed by employees, officers and board members involved in City contracts	Department Guidance: Board minutes will be reviewed to assess both Fiscal and Compliance standards. Items a.-c.: Minutes should show the board approved the budget. Boards do not need to “approve” the financial reports or audit, but minutes should show that they conducted a review; review by a finance subcommittee is acceptable. If the minutes are not detailed, request additional supporting documentation that could indicate such a review. The intent of these standards is to assess board oversight, not to assess the quality of minutes. Items e.-g.: When reviewing for conflict of interest, request a copy of the Contractor’s current board roster and check whether any members are City staff or commissioners. If a City staff member or commissioner is identified, request documentation showing that the individual has signed or otherwise agreed to the organization’s Conflict-of-Interest Policy. The policy may be provided as a separate document or included within a broader board manual or agreement, as long as it contains clear guidance on conflicts of interest for board members. In addition, review the board meeting minutes to confirm that no paid City employee or commissioner serving on the board participated in votes related to City contracts with their affiliated City department, with the exception of votes on the organization’s overall agency-wide budget.	☐ Approved board meeting minutes ☐ Current board roster ☐ Signed conflict-of-interest policies ☐ Executive Director performance review documentation ☐ Current board manual ☐ Attestation signed by Executive Director and Board President in lieu of minutes, as relevant

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☐ f. Minutes show that if a City employee or City commission member is on the Board, he or she did not vote on items related to City contracts with their affiliated City department (excluding vote on Agency-Wide Budget) ☐ g. If a paid City employee or City commission member is on the Board, Contractor provides documentation showing that board member signed a Conflict-of-Interest Policy ☐ h. Minutes show that if the Executive Director is a member of the Board, that individual does not vote on the Executive Director's compensation. ☐ i. Board conducts a performance review of the Executive Director annually ☐ j. Contractor maintains a current Board Manual (Updated every two years)	Contractors are required to review and update the board manual every two years. This process ensures that all policies, procedures, and guidelines remain current and effective. Nonprofit Guidance: Items a.-d. (Board Fiscal Oversight): Provide documentation demonstrating Board of Directors or Finance Committee oversight of the organization's finances. Due to public records and confidentiality considerations, in lieu of the above documentation, nonprofits may submit a written attestation signed by both the Board Chair and Executive Director certifying that the following activities occurred during the review period: Approval of the current agency-wide budget; Review of financial reports at least quarterly; Review of the organization's most recent independent audit; Review receipt, or distribution of the organization's most recent IRS Form 990; and any enhanced Board or Finance Committee oversight undertaken in response to significant financial concerns, if applicable. The organization must maintain supporting records and make them available upon request if additional verification is required. Items e.-j. (Board Governance and Oversight): Provide documentation demonstrating compliance with governance requirements. Due to public records and confidentiality considerations, nonprofits may submit a written attestation signed by both the Board Chair and Executive Director certifying that the organization: Maintains a current Board roster identifying Board members, officer positions, Board terms, employer/organizational affiliation, and any City affiliations; Maintains completed Conflict of Interest disclosures for Board members and key personnel, as applicable; Documents required recusals and abstentions related to actual or potential conflicts of interest; Ensures that the Executive Director does not participate in voting or approval of their own compensation; Conducts and documents an annual Executive	

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	Director performance evaluation; and Maintains a current Board manual that has been reviewed or updated within the required two-year timeframe. The attestation must certify that these records are maintained by the organization and are available upon request when additional verification is required.	
8. Subcontracts and Fiscal Sponsorships ☐ a. If applicable, Contractor has documented procedures for entering into and managing subcontracts and/or fiscal sponsorships, and documentation that contractor follows such procedures ☐ b. Signed agreements between Contractor and subcontractors and/or fiscal sponsorships are current, and include scope of work/deliverables and payment requirements ☐ c. Documentation that the Contractor follows its policy related to monitoring fiscal and programmatic performance of subcontractors and/or sponsored programs providing direct services to clients, including monitoring of invoices (e.g., validating receipts) ☐ d. Subcontractor is authorized by the City via the City's contract with the prime contractor or in subsequent authorization ☐ e. Contractor paid its subcontractors' and/or	Department Guidance: Standards apply to both subcontracts and fiscal sponsorships funded by the City where the recipient provides direct services to clients. Vendor or consultant subcontracts (e.g., evaluation services) do not need to be monitored in these ways. This category applies in the following cases: • Prime Contractor is subcontracting portions of its own scope of work with clients • Prime Contractor is a fiscal sponsor or a fiscal agent of a "sponsored program" (i.e., sponsored program performs entire scope of work; prime contractor may receive a fee for managing funding) Item c: Contractors serving as a prime Contractor have an obligation to monitor fiscal and programmatic performance of subcontractors and sponsored programs. This includes ensuring funds are spent on the intended purpose. Category 7 (above): Fiscal Policies and Procedures require contractors to have a policy for procuring subcontractors and/or entering into fiscal sponsorship agreements, and for monitoring subcontractor performance and/or activities of sponsored programs. Monitors should use Item c. to test whether the contractor follows its established policies. This may include reviewing materials the contractor generated in a recent review of the subcontractor or sponsored program. Though not required, monitors may request financial documents pertaining to the sponsored program, such as a budget, an audit, or financial reports, should they deem them necessary to fully evaluate the effectiveness of the prime Contractor's ongoing fiscal monitoring of the program. Nonprofit Guidance:	☐ Subcontract agreements ☐ Fiscal sponsorship agreements ☐ Subcontractor or fiscal sponsorship monitoring documentation ☐ Proof of payment (verify existing invoicing files for subcontractor proof of payment)

*This list contains documents commonly used to satisfy monitoring standards. Nonprofits should submit documentation that most effectively demonstrates compliance with the monitored standard or specific documents requested by department monitors in the monitoring initiation letter. Not all documents listed in the checklist are required when other submitted documentation satisfies the monitoring standard.

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sponsored program's invoices per the schedule established in the subcontracting agreement and/or prior to receiving City reimbursement for the services delivered ☐ f. Subcontractor and/or sponsored program invoices show basis for work billed as performed (units of service, hours, reimbursable costs)	Provide a list of City-funded subcontracts and fiscal sponsorships, written procedures for monitoring those arrangements, current signed agreements, amendments, renewals, scope of work, deliverables, and payment requirements. Provide evidence of City authorization, when available, or identify where City authorization is maintained. Provide recent monitoring evidence, such as invoice reviews, site visit records, monitoring reports, follow-up communications, payment timing support, reimbursement timing support, and invoice details showing the basis for work billed.	
9. Preparedness/Responsiveness ☐ a. Contractor was prepared and submitted documents by the monitoring date requested in Monitoring Initiation letter	Department Guidance: Preparedness and responsiveness are evaluated by whether the contractor submits required documents by the Monitoring Date and engages promptly in monitoring activities. A finding may be issued when documents are late, remain outstanding after an overdue notice, or when the contractor is unresponsive or unprepared for scheduled meetings. Supporting evidence comes from City-maintained submission logs and correspondence, and no additional documentation is required from the grantee solely for Category 9. Nonprofit Guidance: Preparedness will be assessed based on contractor's timely provision of documents listed within the Monitoring Initiation Letter in accordance with the schedule specified in the monitoring initiation letter (i.e., by the Monitoring Date). A tangible measure for a finding in Category 9 is: ▪ Required documents were not submitted within required timeline, after the lead monitor issued an overdue response letter or used a post submission engagement to request missing documentation ▪ Contractor was not responsive or not prepared for requested meetings	☐ City-maintained submission log ☐ City correspondence/overdue notice, if applicable <i>No separate grantee document is required solely for Category 9.</i>
10. Nonprofit Registry Status ☐ a. Nonprofit is in good standing with the California State Attorney General Registry of Charitable Trusts.	In addition to departments' existing review of a nonprofit's California Attorney General Registry status when initiating a new contract or amendment per City policy, the Controller's Office will monitor this standard during the fiscal monitoring cycle and provide information about the status to departments for inclusion in the monitoring report letter if there are findings. Department monitors do not need to conduct an additional review of Registry status during the monitoring cycle.	No Documentation Required

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	Nonprofits that are in good standing with the California Attorney General's Registry of Charitable Trusts are not required to submit IRS Form 990 for purposes of fiscal monitoring. Verification of good standing with the Registry shall be accepted as the applicable compliance standard showing the nonprofit has completed and submitted the Form 990 to the State per State law. If needed, monitors may confirm an organization's status by reviewing the Registry directly. Nonprofit Guidance: Ensure current registry status with the California Attorney General. Note: See the San Francisco Controller's Office Policy, for details on the requirement and implications for charity registry status.	

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