**Scope of Services**

**Cost Certification, Mortgage Calculation and Reconciliation**

The New York State Office of Alcoholism and Substance Abuse Services (“**OASAS**”) funds capital projects (each a “**Project**”) for various 501(c)(3) providers and local governmental entities (each, a “**Provider**”) that operate chemical dependence treatment programs throughout New York State. Projects typically consist of the acquisition, design, construction, reconstruction, rehabilitation and/or equipping of chemical dependency treatment facilities. These capital projects are typically funded on an interim basis with the proceeds of a state aid grant administered by OASAS. Dormitory Authority – State of New York (“DASNY”) periodically issues tax-exempt bonds to provide permanent financing for recently completed, or soon to be completed, Projects. Upon completion of a Project, DASNY, on behalf of OASAS, loans the proceeds of such tax-exempt bonds to a Provider to refinance the cost of a Project. DASNY and OASAS expect, on average, that over the next five years, bonds will be sold periodically to refinance 8-12 projects annually.

Upon completion of a Project, but prior to each loan closing, a financial cost certification must be undertaken to establish the actual total of all costs incurred by the Provider to complete a Project; to verify the expenditure of state aid grant funds initially advanced by OASAS to the Provider; and to determine the permanent mortgage amount and the requisitions necessary to fund the mortgage loan. Cost Certification requires the completion of the Project Cost Worksheet and the review and analysis of relevant bank accounts, deposit slips and supporting documentation, cancelled and/or voided checks, receipts and disbursements, construction invoices and supporting documentation. A final report is required in accordance with certain agreed upon procedures.

The program services shall include, but are not limited to, the following:

1. **Cost Certification-Agreed Upon Procedures**
2. Obtain from each Provider a completed Project Costs Worksheet, which summarizes all the sources and uses of funds for a Project by category ([Attachment A](https://www.dasny.org/sites/default/files/rfp-documents/2018-06/Attachment%20A.pdf)).
3. Obtain a general ledger history report detailing all the sources and uses of funds by category on the Project Cost Worksheet and verify that the general ledger history report for each category reconciles to the Project Cost Worksheet.
4. Verify that the total of sources of funds on the Project Cost Worksheet equals the total of all remittance advices. Additionally, verify that for each remittance advise the receipt date, payor, and receipt amount agree to the original documents and to the bank deposit slip and the respective bank statement.
5. Verify that the total of uses of funds on the Project Cost Worksheet equals the total of all checks issued for a Project. Additionally, verify that for each expenditure, where applicable, the following documents exist: purchase order, vendor invoice, approved job cost order, check voucher, and cancelled checks.
6. Determine that each disbursement corresponds with the General Ledger History report and is a proper expenditure for that category on the Project Cost Worksheet.
7. Verify that all cancelled checks agree to the respective bank statements.
8. Obtain all the monthly statements from the time the interest-bearing bank account was opened, and verify that the total of receipts and disbursements for the construction period equal the respective totals on the Project Cost Worksheet.
9. **Accountant’s Cost Certification Report** - Prepare and deliver an Independent Accounts’ Report on Applying Agreed-Upon Procedures with summary of findings. Such report shall be conducted in accordance with attestation standards by the American Institute of Certified Public Accounts.

1. **Calculation, Reconciliation and Requisition of Funds for Mortgage Closing**
2. Obtain from DASNY a Statement of Debt Service, together with Sources and Uses of Funds for each Project ([Attachment B](https://www.dasny.org/sites/default/files/rfp-documents/2018-06/Attachment%20B.pdf));
3. Develop a Mortgage Payment Requisition and Reconciliation ([Attachment C](https://www.dasny.org/sites/default/files/rfp-documents/2018-06/Attachment%20C.pdf))based on the Project Cost Worksheet, the Sources and Uses of Funds and final costs associated with the mortgage closing;
4. Develop a Statement of Mortgage Closing ([Attachment D](https://www.dasny.org/sites/default/files/rfp-documents/2018-06/Attachment%20D.pdf)) and an OASAS Requisition of Funds from DASNY ([Attachment E](https://www.dasny.org/sites/default/files/rfp-documents/2018-06/Attachment%20E.pdf));
5. Prepare and submit to OASAS and DASNY a final Reconciliation of Mortgage Funds ([Attachment F](https://www.dasny.org/sites/default/files/rfp-documents/2018-06/Attachment%20F.pdf)), no less than 30 days prior to a scheduled closing; and
6. Coordinate the loan closing activities with DASNY, the Provider and OASAS, as necessary.
7. **Other Accounting Services**
   * + 1. Provide other Accounting Services as may be required.