

LEGISLATIVE DIGEST
(Revised 2/26/2024)

[Administrative Code - Monitoring of Nonprofits That Contract With the City]

Ordinance amending the Administrative Code to clarify the Controller’s audit and monitoring responsibilities with respect to nonprofit organizations contracting with the City; directing the Controller to establish measurable performance goals for contracts with nonprofit organizations; directing the Controller to periodically review and, as necessary, revise policies regarding contractors’ compliance with City requirements; and requiring the Controller to perform an annual review of departments’ compliance with policies for auditing and monitoring nonprofit organizations.

Existing Law

Administrative Code Section 10.6 currently requires the Controller to audit certain contracts to ensure proper disbursement of funds.

Amendments to Current Law

The ordinance revises Administrative Code Section 10.6 to clarify that the Controller’s auditing responsibilities extend to operations, activities, and effectiveness of services rendered by third-parties contracting with the City. The ordinance also adds a new section 10.6-1 that requires the Controller establish and adopt Citywide standards for departments to follow when contracting with nonprofit organizations. New section 10.6-1 also requires the Controller to administer a new corrective action policy for underperforming nonprofits and to review and, if necessary, improve public access to information about nonprofit contracted services

This ordinance was introduced on September 12, 2023, and subsequently amended by the Board. The Board amendments would require the Controller to publicly issue any draft proposed policies, standards, or guidance required under new section 10.6-1 in order to allow public, written comment and to require outreach and engagement with historically underserved communities. The ordinance was also amended to postpone implementation of certain auditing requirements from Fiscal Year 2023-2024 to Fiscal Year 2024-2025.

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