



## Critical Updates from Nonprofit Montgomery's Advisory Board to the Department of Health and Human Services

March 18, 2016

Nonprofit Montgomery regularly convenes a **Nonprofit Advisory Board** to meet with the Montgomery County Government Department of Health and Human Services (DHHS) to discuss items of interest or concern for the nonprofit community. These conversations provide the opportunity for two-way dialogue and for DHHS to address procedure and policies that can impact the nonprofit community. After the most recent meeting, DHHS has provided the following updates on two issues: "rounding pennies" and single user accounts.

### "Rounding Pennies"

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A recent topic addressed by the Nonprofit Advisory Committee to DHHS, convened by Nonprofit Montgomery, was the back and forth between organizations and Montgomery County that sometimes occurs over contract budgets. Many contracts and contract actions such as inflationary adjustments require line item budgets. There has been an issue for some time with rounding errors in these budgets when items such as fringe and indirect rates are calculated in the budget spreadsheets in Excel. Often the individual line items within the budget may be off by a few pennies here and there, although the bottom line amount is correct. There have been instances of budgets going back and forth several times before all of these minor errors are worked out.

In order to reduce the back and forth over budgets, and in agreement with the Office of Procurement, DHHS will not send budgets back to organizations for correction over rounding errors. As long as the bottom line, total value is correct to the penny and matches the amount listed in the contract or contract action, the budget will be processed as is. With this new agreement in place moving forward, we are hoping to reduce the confusion and delays in processing contracts and contract amendments.

Nonprofit organizations should ensure they receive the bottom line total for the budget from their contract monitor so they know the exact value they need to match at the bottom line. This includes inflationary adjustments: organizations should expect to get both a percent increase as well as the total value of the inflationary adjustment to the penny. Please calculate personnel FTEs to two decimal places. Contract salary should agree with a two decimal place calculation. If the calculations are off by more than \$25, DHHS may ask the organization to recalculate the FTE. Note that the overall accuracy of the budget continues to be important, and errors beyond \$25 for FTE calculations or more than a few cents in overall

line items (i.e. errors that aren't just Excel rounding errors) will still be sent back to organizations for correction.

If you have questions about this process or your organization's contract budget, please contact your contract monitor.

## Single User Accounts

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Many county nonprofit partners are receiving phone calls from JP Morgan-Chase saying that they are required to participate in Montgomery County's accounts payable initiative that uses a Single Use Account (SUA) credit card for payments. Acceptance of payments via credit card is included in the [County's General Terms and Conditions](#) attached to all contracts in Section 25 – Payments.

DHHS has confirmed with the Department of Finance and with the Office of Procurement that participation in the SUA program is not mandatory for nonprofits. Nonprofit organizations are free to participate if they so choose, but they should be aware that as with all credit card transactions, they will be charged a 3-4% fee for receiving payments through this mechanism. Organizations that do not want to participate in the SUA program can simply tell JP Morgan-Chase that as a 501(c)(3) nonprofit, they do not want to receive payments through this program. JP Morgan-Chase should accept this answer and should not apply pressure for the organization to participate. Nonprofit organizations can still choose to receive payments from Montgomery County through Automated Clearing House (ACH) or by paper check, though ACH payments are preferred.

If you have further questions, please contact [Sanjay Jhangiani](#) in the Department of Finance – Accounts Payable Division.

**2016 Nonprofit Montgomery Advisory Committee to the  
Montgomery County Department of Health and Human Services**

Ann Mazur, Mental Health Association of Montgomery County  
Anne Vandercook, Identity, Inc.  
Brigid Howe, Nonprofit Montgomery  
Francine Coleman, YMCA of Metropolitan Washington  
Kylie McCleaf, Family Services, Inc.  
Leslie Graham, Primary Care Coalition  
Michael Rubin, IMPACT Silver Spring  
Scott Birdsong, Family Services, Inc.  
Swati Shah, Montgomery County Coalition for the Homeless  
Todd Schenk, JSSA

Uma Ahluwalia, Montgomery County Department of Health and Human Services  
Vickie Buckland, Montgomery County Department of Health and Human Services  
Phil Royston, Montgomery County Department of Health and Human Services  
Susan Cymek, Montgomery County Department of Health and Human Services