



Policy

Program: Office of Contracts Management

Date : December 2025

Advance Payments to Grantees & Nonprofit Contractors

This policy is written to standardize the methodology for providing advance (or pre-payments) to Grantees & eligible Nonprofit Contractors providing services on behalf of the Human Services Agency (HSA).

Historically, the Office of Contract Management at HSA has implemented an advance payment procedure in order to lessen the financial burden imposed upon Grantees & eligible Nonprofit Contractors inherent with contracting to government entities. The justification for this procedure acknowledges the contributions that community based non-profit organizations make in their support for HSA's programs in helping disenfranchised populations.

Upon written request, and at its sole discretion, HSA shall make available to the Grantee or eligible Nonprofit Contractor, an amount not to exceed two (2) months or 1/6th of the total annualized contract award. The advanced sum shall be deducted from the Grantee/Nonprofit Contractor's monthly invoices (for incurred expenses) at an equal rate each month that will enable repayment by the tenth month of the fiscal year. For a twelve-month contract the rate of repayment of the advance will be 1/10th per month from July to April. The intent is to complete the repayment in the tenth month of the agreement, allowing a two-month window for reconciliation and revisions prior to year-end closeout.

Steps

1. The agreement must be approved by the time of advance request and fully executed before the advance can be processed.
2. All contractual compliance issues must be current, i.e., reports submitted and approved, insurance certificates in place, invoices up-to-date, and no outstanding corrective action issues.
3. A written request with a justification narrative must be submitted and approved by the Contract Manager, Supervising Contract Manager, Contracts Director, and the Deputy Director of Finance and Administration.





4. Advance payments shall be recouped in full by April of the fiscal year to account for any underspending or underbilling. Alternative recoupment plans may be considered but are not guaranteed to be approved. If any amount of the advance is not recouped by the end of the fiscal year, the Grantee/Nonprofit Contractor will be required to reimburse the unrecouped amount by check payable to the City.

Notes

Requests for advance payment will be granted on a case-by-case basis and are not intended as a regular “automatic” procedure. The Contract Manager will inform the Program Manager of approved advance. Approval will be at the sole discretion of the Office of Contract Management and the HSA Deputy Director of Finance & Administration.

