

Council Discretionary Funding: Understand Insurance Requirements

Learn about insurance requirements for nonprofits receiving New York City Council Discretionary Funding.

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1. Introduction

Nonprofits receiving City Council Discretionary Funding are **required** to have and maintain:

- Commercial General Liability Insurance
- Workers' Compensation Insurance
- Disability Benefits and Paid Family Leave Insurance

Insurance requirements are typically outlined in **Article 7 of Appendix A** and **Schedule A** of your contract or agreement.

Contracting agencies may have additional requirements not covered by this guide.

Refer to [Overview: Standard Insurance Requirements for Discretionary Funding Awardees](#) to learn about the required policies, coverage details, policy limits, and proof of insurance requirements.

2. Insurance Requirements for Nonprofits without Employees

Even if your nonprofit has **no employees** (e.g., volunteers-only organizations), you must carry the required insurance coverage to receive City Council discretionary funding, including Commercial General Liability (CGL) Insurance.

To learn more **employment-related** insurance requirements for the different types of organizations, including nonprofits without employees, refer to the New York State (NYS) Workers' Compensation Board resources:

- [NYS Workers' Compensation Coverage Requirements](#)
 - [Nonprofit Entities with No Employees - Workers' Compensation](#)
- [NYS Disability and Paid Family Leave Benefits Coverage Requirements](#)
 - [Nonprofit Entities with No Employees - Disability and Paid Family Leave](#)
- [Attestation of Exemption Guide](#)

3. Avoid Common Mistakes

Talk to your insurance broker or agent to make sure your insurance policies meet the insurance requirements spelled out in your contract documents.

Common mistakes include:

- **Not meeting policy limits OR required coverage.** Contract-specific requirements are typically outlined in Appendix A of your contract or agreement documents.
- **Submitting incomplete or incorrect proof of insurance.** Missing pages, endorsements, or signatures. Not listing the City of New York as an additional insured when required. Submitting outdated certificates (expired or not matching policy dates).
- **Not naming the correct certificate holder.** The certificate holder must typically be: The City of New York, c/o the contracting agency, with the proper address.
- **Delayed submissions.** Insurance documentation is submitted late, delaying contract registration or payment. Failing to renew and resubmit proof of insurance before expiration.
- **Using non-admitted, unlicensed, or not appropriately rated insurance carriers.** Insurance is provided by a company not authorized to do business in New York State, which is not acceptable for NYC contracts.
- **Not updating insurance after changes/expiration.** Failing to notify the City or update documentation after changes in carriers, coverage, or company names.
- **Not listing the city as additional insured, or not listing it correctly** (i.e., “The City of New York, including its officials and employees.” No specific agency of the City should be included.)

4. How and Where to Get Insurance

While the City can’t recommend specific insurance providers, we recommend **exploring your options** to find the most suitable provider for your specific circumstances.

Most nonprofits will need to acquire insurance on the market.

Nonprofits contracting with the Department of Youth and Community Development (DYCD) are eligible to enroll in the **Central Insurance Program (CIP)**. CIP provides all of the required insurance policies. For more information, see the CIP section of the latest [DYCD Fiscal Manual](#).

5. Submit Proof of Insurance

How you should provide the required proof of insurance to your contracting agency depends on the **type of award** you receive. You may need to upload proof of insurance to PASSPort (Guide: [Upload Link or Documents](#)) or may be directed to submit PDFs another way.

After submitting your insurance documentation to the agency, be sure to respond promptly to any questions or requests. Since any changes to the Certificate of Insurance must be re-issued by your broker and notarized, the process for updating insurance documentation can take several days.

6. Maintain and Renew Insurance

How Long Is Insurance Valid?

Insurance is typically valid for one year, but you should confirm with your broker how long your policy will last. CIP coverage terminates at the end of each fiscal year (June 30 of each year).

When Your Insurance Expires

It is your responsibility to make sure that your organization maintains **active insurance** during the entire term of the agreement.

Agencies will not necessarily monitor your insurance coverage during the agreement term. If your insurance will expire during the term, you must renew your insurance policy to avoid gaps in coverage. Follow the guidance your agency provides on how to update your insurance information.

Communicate With Your Agency

Please contact your contracting agency or funding entity immediately in any of these situations:

- **If your contracting agency requests a copy of your insurance policies** at any time during the agreement term, you are required to provide it.
- **If you file a claim related to activities covered** under your contract or grant agreement, you must submit an official report to your contracting agency, and notify your insurance company as required by section 7.06(A) of Appendix A.
- **If your insurance is canceled** at any point during the agreement term, you must notify your contracting agency promptly.