

Summary of Legal Compliance Requirements

New York State law generally prohibits corporations, including not-for-profit corporations, from providing professional services such as social work, mental health and psychology. Nonprofit service providers may lawfully provide such services only if waivers of these corporate practice prohibitions are requested from the [State Education Department](#) (SED) by the deadline of February 1, 2012, or if all such programs qualify for an exemption. Once granted, waivers are valid for three years and must be renewed for each entity and program that received a waiver.

The reason that City agencies must take steps to ensure that our vendors comply with these provisions is that if organization that is subject to this mandate fails to obtain such a waiver, that violation of state law would affect the City's ability to find that organization to be a responsible business partner. The unauthorized practice of a licensed profession is a Class E felony.

Does your organization employ licensees, permit holders, or interns in any of these covered professions or provide psychotherapy services?

- Licensed Master Social Work and Licensed Clinical Social Work
- Mental Health Professions, including: Creative Arts Therapists, Marriage and Family Therapists, Mental Health Counselors, and Psychoanalysts
- Psychology

If so, and unless one of the exemptions below applies, the organization must file the following waiver applications by February 1, 2012 with the State Education Department:

- A complete Application for Waiver ([Form CE](#)) must be submitted to SED by the entity, signed by an individual authorized to act on its behalf (e.g. Chief Executive Officer, President, or Chair of the Board); NOTE: if there are any changes in the name or address of the entity, the entity must notify the SED within 30 days by filing a Request for Additional Setting ([Form CE-2](#)).
- If the organization has more than one program that provides covered services, a complete Request for Additional Setting ([Form CE-2](#)) must be filed for each program, at each address, at which covered services are provided; NOTE: if there are any program additions or closures that are subject to the waiver, the entity must notify SED by filing a Request for Additional Setting ([Form CE-2](#)) within 60 days.
- A Moral Character Attestation of the Director, Trustee and Officer ([Form CE-1](#)), completed by each officer, trustee and director of the entity. If there are any changes in the directors, trustees and officers of the entity, an updated listing must be provided to the Office of the Professions and the new director, trustee or officer must complete and submit the required attestation on [Form CE-1](#) within 60 days.

If granted, the waivers are valid for three years and must be renewed for each entity and site that received a waiver.

Exemptions

Certain entities do not require waiver filings to comply with the law:

- Any entity with an operating certificate or comparable authority issued under the Public Health Law, the Mental Hygiene Law, or other State, federal or local operating certificate issued by a State agency; (NOTE: some operating certificates or comparable authorities are issued for specific locations and may only cover particular programs. If an entity has multiple locations and/or programs providing covered services and if any of such locations and/or programs do not have an operating certificate, a waiver request should be filed for the entity ([Form CE](#)) and Additional Setting ([Form CE-2](#)) for each location/program not covered by the exemption. For additional guidance, contact the SED at the contact information below.)
- An institution of higher education that provides a program leading to licensure in medicine, nursing, psychology, social work or the mental health professions to the extent the services being provided are within the scope of the registered program;
- An institution of higher education that provides counseling to students, staff and family members of students and staff;
- A university faculty practice corporation; and
- An appropriately organized professional entity.

Attestation of Good Moral Character

Some organizations may have directors, board members or officers with criminal records that must be disclosed on the Moral Character Attestation ([Form CE-1](#)). In order for the waiver application of an entity to be approved, that board member must demonstrate their current good moral character by submitting supporting documentation specified in the attestation.

For additional information regarding the waiver requirements, please visit the New York State Education Department website:

<http://www.op.nysed.gov/waiver-corporate-practice.htm#forms>, or you can call the State Board of Social Work Office at 518-474-3817 ext. 450.

For any additional assistance call 311 or call the Mayor's Office of Contract Services **Capacity Building and Oversight Unit** at 212-788-0001 or email nfphelp@cityhall.nyc.gov.