

**Cost Reporting Requirements for Services
Funded by the Developmental Disabilities Administration**

Fee Payment System for Licensed Residential, Day and Supported Employment Programs
(COMAR 10.22.17) Community Supported Living Arrangements Payment System (COMAR 10.22.18)

As defined in COMAR 10.22.17.05 and COMAR 10.22.18.03, providers who receive funding from the Developmental Disabilities Administration (DDA) for services regulated by the Administration must submit an annual cost report for each service not later than 6 months after the end of the state fiscal year. The cost report must:

- document the provider's actual expenditures for the fiscal year being reported;
- be based on the provider's audited financial statement; and
- contain a certification by an independent certified public accountant for the individual co-payments collected and for actual attendance days.

The regulations permit the Administration, after notice and an opportunity to be heard, to impose a penalty not exceeding \$500 per day on providers that fail to comply with the cost reporting requirements (Health-General Article, §7-910(c), Annotated Code of Maryland).

**Instructions
Cost Report Data Form
for Services Funded by the Developmental Disabilities Administration**

Note: Please download an electronic copy of the Cost Report Data Form from the DDA website (www.ddamaryland.org, "Forms" tab), save it to your hard drive, fill it out, and submit the completed form electronically. Please do not alter the form in any way.

Instructions for Cover Page (page 1):

1. Provider Data: The provider name, provider number, address, the fiscal year the cost report covers, a contact person and telephone number of that person should appear in the appropriate spaces.
2. Certification: The provider must complete and sign this section certifying that the report is complete and accurate. This should be signed by the agency's executive director or an authorized officer.

**General Instructions for Schedule A: Residential Services, Schedule B: Day Services,
Schedule C: Supported Employment Services, and Schedule D: CSLA Services**

1. Identification data: Make certain that the provider name, provider number and fiscal year appear at the top of each schedule.
2. Columns:
 - Balance per Provider Record: This column is for your convenience and you are not required to provide any data in it. We provided it as a guide for you to ensure that the data entered in the other columns, when totaled, match your financial statements. If you decide to use this column, identify the expenditures for each line item. If you can not find a specific line item that coincides with your records, list the expenditure under most appropriate of the "other" line items. If you need to use the "Other Expenses" line item attach a schedule listing the type of expenses and the amounts that support "Other Expenses" line item.

- Direct Support Cost Center: Identify the direct support expenses associated with each line item. These would include direct support and certified nursing assistant (CNA) salaries and fringe benefits, as well as food, utilities, rent or building depreciation, supplies and equipment that relate to the direct support of consumers. Include in this column the salaries of all employees whose responsibilities directly impact the provision of direct support services to consumers (e.g. aide, service worker, first line supervisor, house manager, nurse, etc.). Other costs related to the employees identified in this cost center should appear in this column.
- Administrative Cost Center: Identify the administrative expenses associated with each line item. This should reflect all overhead costs, and would include administrative salaries (e.g. executive director; program directors; assistant program directors; clerical support; fiscal, human services and other administrative staff, etc.), fringe benefits associated with administrative salaries, cost of administrative offices, insurance supplies, etc. These administrative expenditures support the provision of direct support services to consumers. The allocation of these costs should follow the allocation method used in your audited financial records.
- Add-on Components: Complete this column for residential, day, and supported employment, if appropriate. This would include total expenditures reimbursed under add-on components.
- Supplemental Services:
 - For residential, day, and supported employment: Identify the costs associated with the provision of supplemental services funded through FPS.
 - For CSLA: Identify the costs associated with the provision of supplemental services funded through the CSLA Payment System.
- Totals: This column represents the sum of the corresponding line item expenses for the Direct Support Cost Center, Administrative Cost Center, Add-on Components, and Supplemental Services columns. This column should match the Balance per Provider Record column, if you have chosen to use that column.

3. Line Items:

- Salaries and Wages (excluding transportation):
 - General employees: Examples include executive director; program directors; assistant program directors; clerical support; fiscal, human resources, and other administrative staff.
 - Direct support employees: Examples include aides, service workers, first line supervisors, certified nursing assistants, house managers and professional employees providing hands-on care.
 - Professional employees: Examples include doctors, nurses, psychologists, psychiatrists.
 - Fringe Benefits: Fringe benefits paid for the above-noted employees.

- Contracted Services: Include in this section expenditures for individuals who are not employees of your agency. Contracted services should include costs associated with services from temporary employment agencies, as well as costs associated with individuals who are not supervised by your organization. Use the examples listed above as guidelines for determining general, direct support and professional staffing.
- Transportation-Consumers: Transportation costs associated with transporting consumers to **all activities**. This includes transportation to and from the day program, doctors' offices, and other activities. The transportation cost center includes all costs related to consumer transportation. If you receive the \$2,000 supplement for day consumers record the associated costs in the Supplemental Service column.

4. Attendance Data:

- Information regarding attendance days needs to be supplied for each service. The attendance days should be reported quarterly (i.e. 1st Q: July through September; 2nd Q: October through December, etc.). Use the actual date you began serving each consumer (not the date services were authorized to begin) to calculate the total number of attendance days per quarter.
- Include the attendance days reimbursed by FPS or CSLA in the rows labeled "FPS attendance" or "CSLA attendance." On the rows labeled "Other attendance" includes days for which DDA does not pay: nonpayable days, nonFPS/nonCSLA payment system days.
- The FPS and CSLA attendance totals should agree with the audited attendance days certified by your CPA.
- For supported employment for FY05, the attendance reported should reflect the total number of attendance days for all supported employment consumers funded by DDA.

5. Site Information Data:

- This data will provide DDA with general information about provider operations. It is understood that this data changes frequently, and it should reflect conditions as of June 30 for the year being reported.
- For residential sites, list the number of sites by occupancy level.
- For day sites, list the number of consumers served at each location.
- For CSLA, list the number of locations by occupancy level and hours per week.

6. Transportation Data:

This is the third year we are requesting transportation data relating to transporting consumers. This information is noted at the bottom of each program's page; last year it was on page 6. We are again requesting your cooperation to provide us with this information. Below we have provided a definition of a trip under each program (remember this data relates only to your DDA Programs and when the consumer is in the vehicle):

- Residential, Day and CSLA:
Trip is defined as picking up the consumer at point X and returning them to that location. If you do not take the consumer back to point X, a trip will end at the last point to which the consumer was transported.
- Supported Employment:
Trip is defined for employment at an individual site as picking up the consumer at point X and taking them to their job location. If you are taking the consumer back to point X, then include the mileage back to point X. If you are transporting the consumer to various job locations in search of a job placement, include all mileage when consumer is in the vehicle.

Trip is defined for enclave employment as picking up the consumer at point X and returning them to that location. If consumer has another source of transportation back to originating point then do not count the return trip.

Helpful hint:

Count only the number of consumers you are transporting in each of your van/cars (if you transport 6 consumers in a van and you have 6 vans, only report the 6 consumers transported, **not** 36 consumers).

New Request: % of direct support travel exp. recorded in Travel-Staff expense:

DDA understands that direct support staff, at times, transport consumers and these costs (mileage reimbursements) maybe included in the Travel-Staff general ledger account. Please provide the percent of the expenses that reflect direct support staff's mileage reimbursement that only pertain to the transporting of consumers that are included in the Travel-Staff expense line item.

Instructions for Reconciliations

1. Reconciliations: These schedules should be used to reconcile the residential, day, supported employment and CSLA program revenues and expenses with the provider's audited financial statements. Provider name, provider number and fiscal year should be supplied.

- Expenditures: Transfer the totals from the previous pages for each service. Based on the expenses listed on the audited financial statements, list all other expenses (for all additional programs) in the Total column, so that the starred total will reconcile with your audited financial statements.
- Revenue: In this schedule the provider should list the contribution to room and board and cost of care for the residential program and any local funding for the day program. (Local funding is defined as those funds which are provided directly to an agency by the local subdivision, in accordance with the 1984 state/county agreement.) The contribution to room and board and cost of care amount should be the amount certified by a CPA firm. In the second section, list Fee Payment System and CSLA Payment System revenue under the proper program. If the agency has received Add-On Component awards from DDA that have expenditures listed in Schedules A and/or B, list that revenue under the

Developmental Disabilities Administration
Department of Health and Mental Hygiene
Cost Reporting Requirements for FY 2005

proper program. Other revenue should include other funds received from third parties and used for residential, day, supported employment, and CSLA programs. This would include

private pay, insurance, DORS, United Way, etc.

- In the final section, record all other revenue received so that the final total reconciles with the audited financial statements.

2. Attestation to consumer fees and attendance: An independent CPA must attest to the consumer fees and attendance. The attestation statement should include at a minimum the following statement: "In our opinion, the statement of consumer attendance days and consumer fees present fairly the consumer attendance days and consumer fees of (Agency, name) for the year ending June 30, 2005."

Submission Information: The FY 2005 cost reporting documentation is due to DDA by **December 1, 2005**. To be in compliance with the cost reporting outlined in the state law and regulations referenced above, providers must submit the following documents to DDA:

- Cost Report Data Form (2 copies with original signatures);
- Audited Financial Statements (2 copies);
- Attestation to attendance days and contribution to room and board and cost of care by an independent CPA (2 copies). This attestation must be submitted separately from any other certifications and attestations; and
- An electronic completed cost report emailed to DWeinberg@dhhm.state.md.us, or a 3½" floppy disk (this is the last year diskettes will be accepted) containing the Cost Report Data Form.

Submit this information to:

Ms. Debra Weinberg
Assistant Deputy Director
Department of Health and Mental Hygiene
201 West Preston Street, Room 422-A
Baltimore, Maryland 21201

Requests for deadline extensions: All requests for deadline extensions must be submitted in writing to Ms. Audrey Waters, Chief Financial Officer for DDA and must include justification of the need for the extension. You will receive written notification indicating whether or not your request has been approved.