INDIANA DEPARTMENT OF CHILD SERVICES

DCS Cost Report Training 2015

OVERVIEW

Agenda

- Background Information
- Cost Report Process
- Cost Report Completion
- I-Rate Walk Through
- Questions and Answers

Title IV-E

Social Security Act

Sec. 475. [42 U.S.C. 675]

"(4)(A) The term "foster care maintenance payments" means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, reasonable travel to the child's home for visitation, and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement"

Source: http://www.ssa.gov/OP_Home/ssact/title04/0475.htm

Title IV-E

Code of Federal Regulations, Title 45 (Public Welfare)
45 CFR 1356.60(c)(2)

"(2) The following are examples of allowable administrative costs necessary for the administration of the foster care program:

- (i) Referral to services;
- (ii) Preparation for and participation in judicial determinations;
- (iii) Placement of the child;
- (iv) Development of the case plan;
- (v) Case reviews;
- (vi) Case management and supervision;
- (vii) Recruitment and licensing of foster homes and institutions;
- (viii) Rate setting; and
- (ix) A proportionate share of related agency overhead.
- (x) Costs related to data collection and reporting"

Source: http://www.gpo.gov/fdsys/pkg/CFR-2004-title45-vol4/xml/CFR-2004-title45-vol4-sec1356-60.xml

Rates

Cost Based Rate…

- Eligible Costs ÷ Utilization = Payment Rate
- Rate Disallowances

  (Listed in order as it is applied to the report)

  - Salary Cost Limit
  - Fringe Benefit Cost Limit
  - Staffing Ratio/Caseload Ratio Cost Limit
  - Occupancy Cost Limit *(not applicable to CPAs)*
  - Administrative Cost Limit
- Profit Margin
- Rate Adjustments
  - COLA
  - Stabilization Factor
  - Department Mandated
  - Performance
  - Program/Cost Structure Change

Random Moment Sample

- Means of distributing/allocating costs
- Federal Funding
- RTSP
  - Paper Sample
  - 3,000 samples per quarter
- CPA
  - Email
  - 2,600 samples per quarter
- Contact DCS

Resources

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (contains OMB Circular A-87 & OMB Circular A-122):

http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf

USDA Expenditures on Children by Families:

http://www.cnpp.usda.gov/ExpendituresonChildrenbyFamilies.htm

Social Security Act:

http://www.ssa.gov/OP_Home/ssact/title04/0400.htm

Code of Federal Regulations, Title 45–Public Welfare:

http://www.gpo.gov/fdsys/pkg/CFR-2007-title45-vol4/pdf/CFR-2007-title45-vol4-part1356.pdf

Resources

RTSP (465 IAC 2-16) & CPA (465 IAC 2-17)

http://www.in.gov/legislative/iac/iac_title?iact=465

Cost Report Instructions

http://www.in.gov/dcs/2334.htm

RTSP Provider Manual 2013

http://www.in.gov/dcs/files/Rulesresidentialprovidermanual2013.pdf

CPA Provider Manual 2013

http://www.in.gov/dcs/files/RulesChildplacingagencyprovidermanual12312.pdf

DCS Rate Setting Salary & Wage Guide

http://www.in.gov/dcs/2334.htm

INDIANA DEPARTMENT OF CHILD SERVICES

Cost Report Process

Phase 1: Planning and Completion	
Public Hearing	January
Training	February – March
Preparation	Ongoing
Cost Report Completion	February – March
Phase 2: Audits	
Desk Audits	April – July
Rate Distribution	Late Summer
Field Audits	June – December (ongoing)
Phase 3: Rate Reviews	
Administrative Reviews	October – December
Appeals/Hearing	January - March

Cost Report Completion

What you'll need…

- Program Information
  - Any new / changing programs?
- Financial Information
- Census / Utilization Information
- Allocation Methodologies

Include Actual Costs

- **NO** Estimates
- **NO** "Other" (exception: where noted)
- **NO** Budgeted Figures (exception: new program)

Budgeted Reports

- Contact DCS Rate Setting Unit if a report is needed for a new program
- Pro-Forma (12 month of data)
- How to complete?
  - Mirror existing report
  - Based on budgeted data
- Utilization?
  - Calculate at 80%
  - Back into based on FTEs

- **RTSP Utilization** = [{(§3.1 + §3.3 Time Study FTEs) ÷ 4.2} × Staffing Ratio] × 365
- **CPA Utilization** = [(§3.1 + §3.3 Time Study FTEs) × Caseload Ratio] × 365

Cost Identification

Allocation Methodologies

- Appropriate way of dispersing costs
- When used?
  - Account tied to multiple programs/cost centers
  - Account tied to multiple cost columns
- What to do?
  - Excel
  - Review
  - Account for 100% of cost
  - Reconcile
  - Be consistent (Cost & FTE allocations)

Cost Identification

Examples Allocation Methodologies

- Direct
- Utilization
- Revenue
- FTE
- Acuity of Child/Program
- Square Footage
- Meals Served
- Travel Logs
- Work Orders
- Handsets

Cost Report Cost Columns

Total: Total of allocated cost columns

Administrative: General and/or Programmatic Administrative

Maintenance (RTSP ONLY): Food, Clothing, Shelter, Daily Supervision, Personal Incidentals

Adoption (CPA ONLY): Permanent placement of children

Time Study: Primary direct care staff cost, Case Managers, Licensing & Recruiting staff

Case Management: Case plan and case development

Non IV-E (IL & Recreation): Non-supervision recreation or Independent Living

Behavioral Health: Counseling, Therapy, Crisis Intervention

Medical: Administering medical procedures

Education: On-site school/classroom related costs

Unallowable: Federally Unallowable or unallowable per 465 IAC 2-16-21(c) (RTSP, or 465 IAC 2-17-23(c) (CPA)

Note:

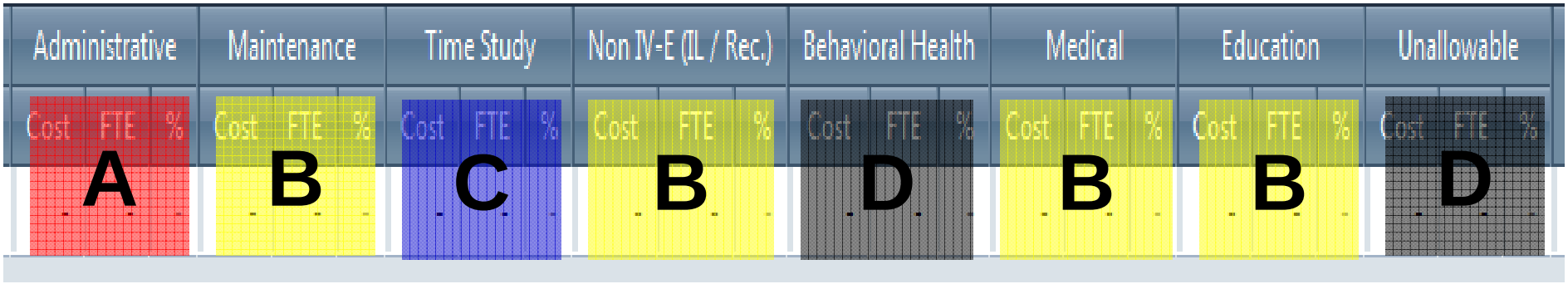
More thorough description included within instructions

Understanding the Columns

RTSP

§3.1 through §3.3

What do they mean?



A: Subjected to (1) Salary Cost Limit and (2) Administrative Cost Limit; allocated by % of Direct Costs

B: Maintenance, Non IV-E (IL & Recreation), and Education subjected to Salary Cost Limit, Medical is not; 100% included in payment rate

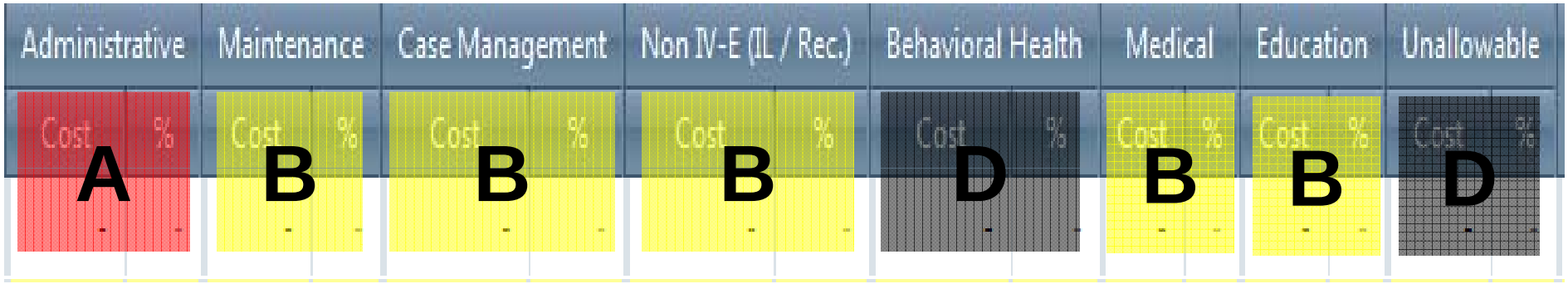
C: Subjected to (1) Salary Cost Limit and (2) Staffing Ratio Cost Limit; allocated by RMS %, included in payment rate

D: Not subjected to any cost limit, not included in payment rate; does affect Administrative Allocation

Understanding the Columns

RTSP

§4.1 through §4.4



A: Subjected to Administrative Cost Limit; allocated by % of Direct Costs

B: Not subjected to any cost limit; 100% included in payment rate

D: Not subjected to any cost limit, not included in payment rate; does affect Administrative Allocation

Note: All costs of §4.3 Occupancy are subjected to Occupancy Cost Limit, regardless of its allocation

Understanding the Columns

CPA

§3.1 through §3.3

What do they mean?

A: Subjected to (1) Salary Cost Limit and (2) Administrative Cost Limit; allocated by % of Direct Costs

C: Subjected to (1) Salary Cost Limit and (2) Caseload Ratio Cost Limit; allocated by RMS %s, included in payment rate

D: Not subjected to any cost limit, not included in payment rate; does affect Administrative Allocation

Understanding the Columns

CPA

§4.1 through §4.4

What do they mean?

A: Subjected to Administrative Cost Limit; allocated by % of Direct Costs

B: Not subjected to any cost limit; 100% included in administrative payment rate

D: Not subjected to any cost limit, not included in payment rate, does affect Administrative Allocation

Desk Audits

- Review
  - Current data in comparison to past years
  - Reasonable…Allowable…Eligible
  - Allocation methodologies
  - Comparison to various benchmarks
- Contact Provider w/ Questions (email)
- Costs may be reallocated based on correspondence w/ Provider
- Revisions

Cost Report Finalization

- Review by DCS Rate Setting Unit (cost limits)
- Rate Letters & I-Rate Cost Reports
- Contact DCS Rate Setting Unit w/ questions and/or comments
- Information Session/Individual Sessions

Rate Reviews/Appeals

Administrative Review Requests

- Review of the rates
  - 465 IAC 2-16-26 (RTSP)
  - 465 IAC 2-17-27 (CPA)
- When to submit?
- What to submit?

Appeal/Hearing Requests

- Appeal of the rates
  - 465 IAC 2-16-27 (RTSP)
  - 465 IAC2-17-28 (CPA)
- When to submit?
- What to submit?

Field Audits

Why?

- Compliance
- Educational

Frequency?

- ~ Every 2 – 3 Years
- Newer Providers Sooner

Preparation

- Maintain and copy all documentation
- Keep **GOOD** notes on how costs were determined
- Document **ALL** allocations of costs and FTE's

Results

- Report
- Findings (Weighting Tool)
- Rate Adjustment

I-Rate Cost Report Tutorial

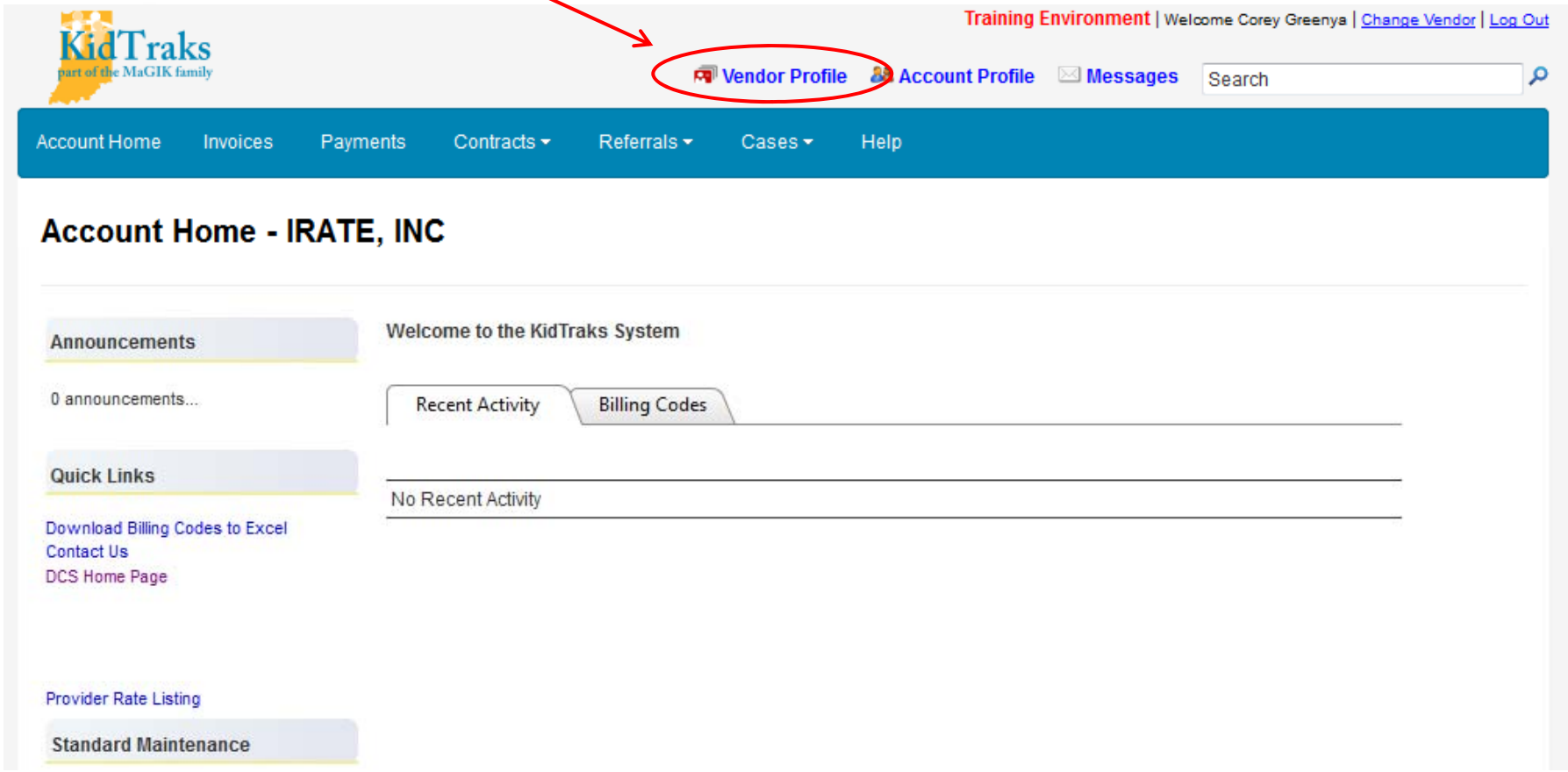
Changes

- I-Rate
  - Allocations
  - Position Import
  - Reported Cost Limit Statistics
  - Issues / Comments Printout
- Access to I-Rate
  - https://magik.dcs.in.gov
    - Click on “KidTraks” link on left

I-Rate Cost Report Tutorial

Setting up access to the I-Rate module of KidTraks

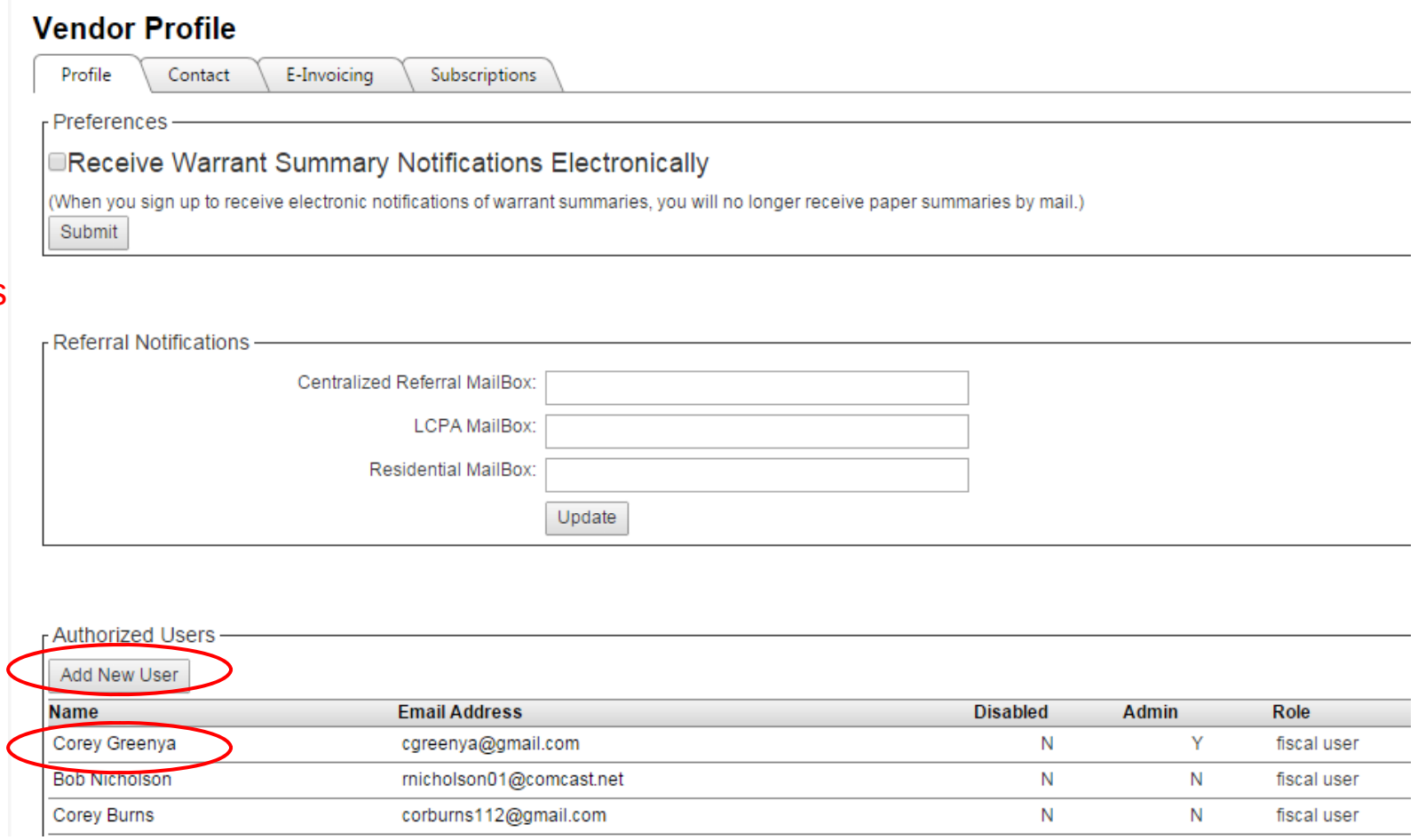
Select “VENDOR PROFILE” to add users



I-Rate Cost Report Tutorial

Setting up access to the I-Rate module of KidTraks

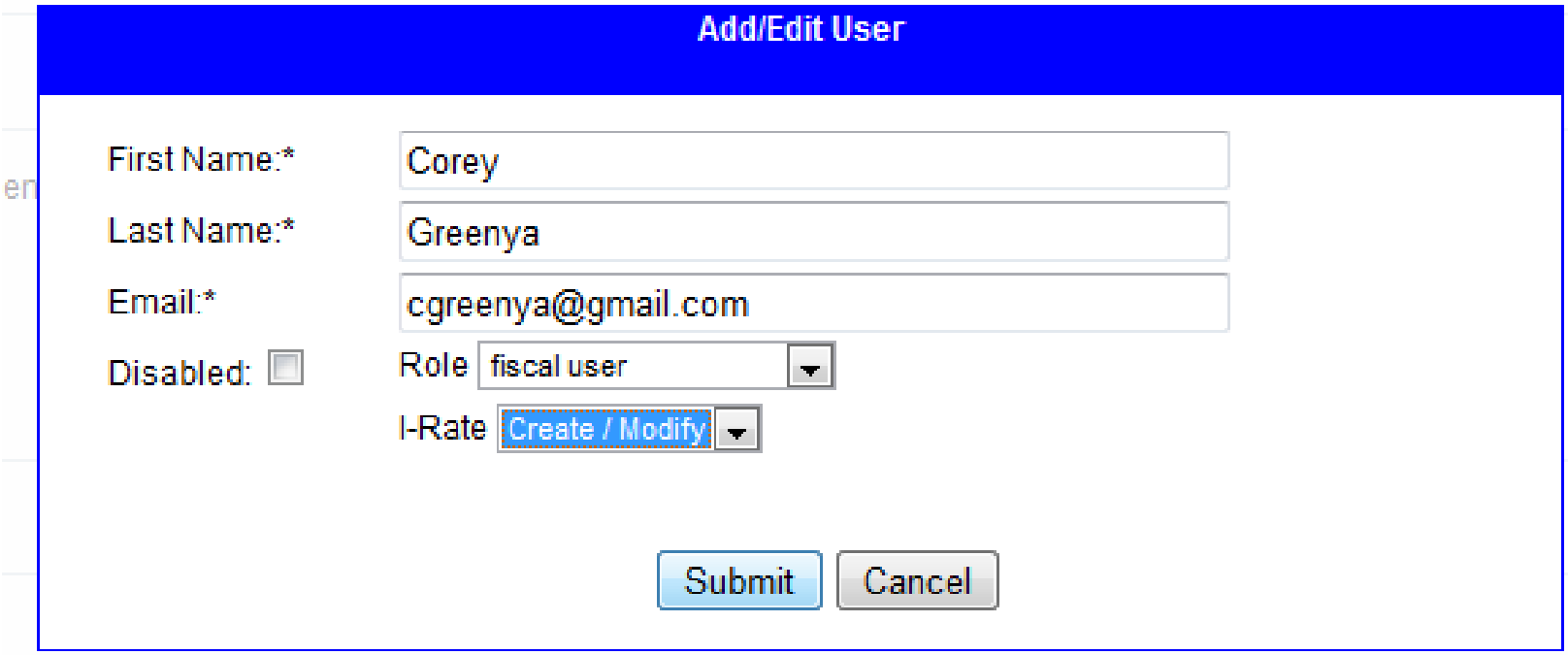
Select “Add New User” or select a User’s name to edit their permissions



I-Rate Cost Report Tutorial

Authorized users in KidTraks need to have **"fiscal user"** selected as their "Role"

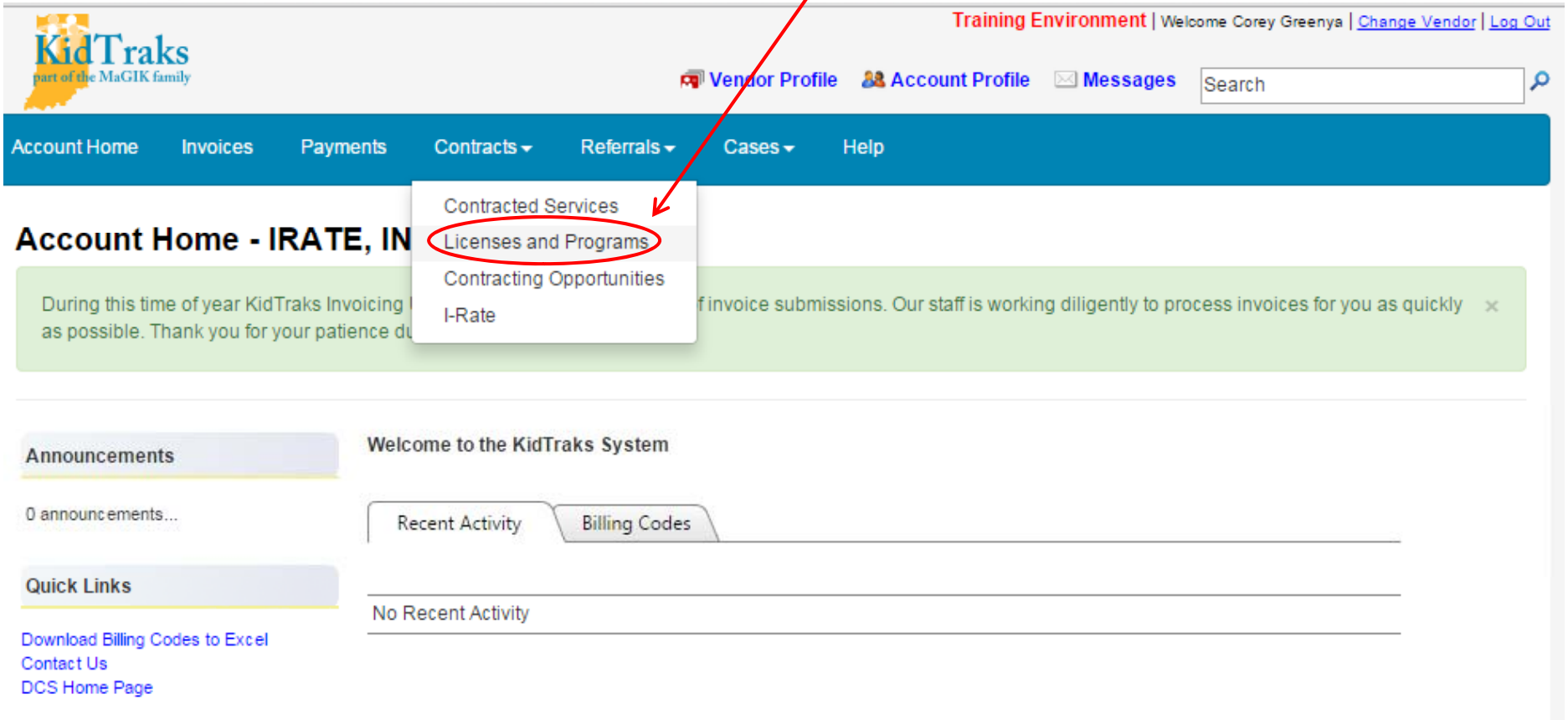
- User can be given "Create/Modify" or "Read Only" permission in I-Rate



I-Rate Cost Report Tutorial

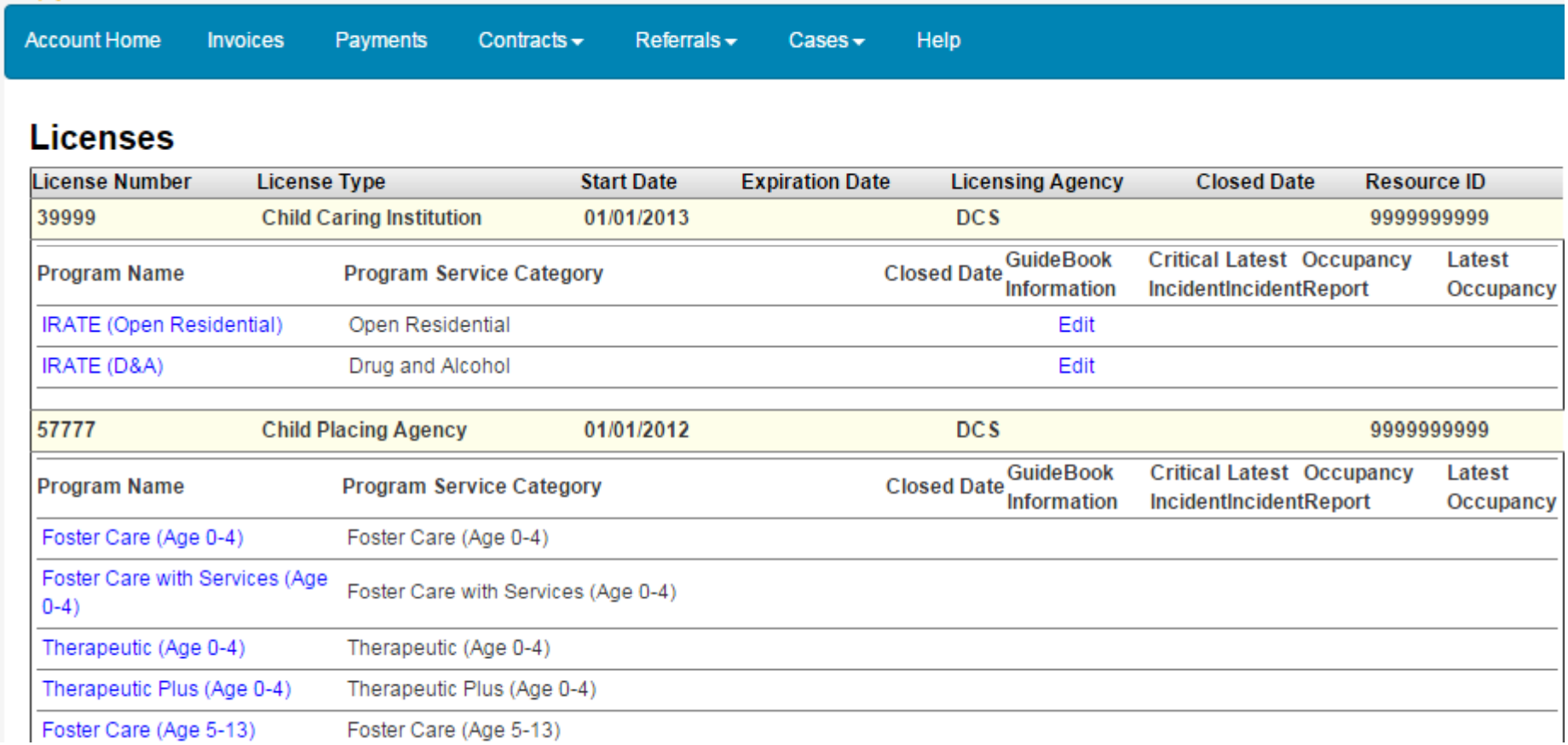
Viewing your Agency's Licenses and Programs

Click "Contracts" and then select "Licenses and Programs"



I-Rate Cost Report Tutorial

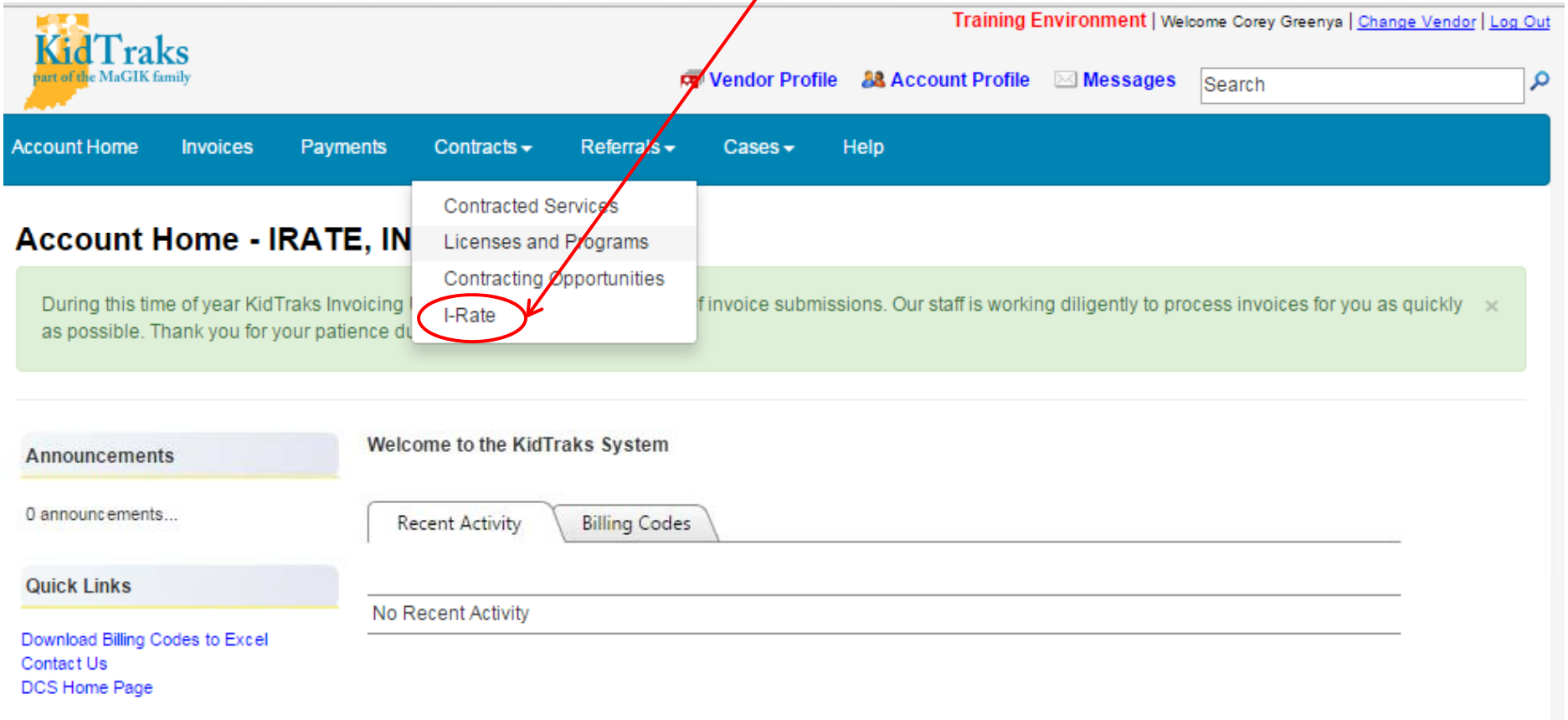
Viewing your Agency's Licenses and Programs



I-Rate Cost Report Tutorial

Accessing the I-Rate module of KidTraks

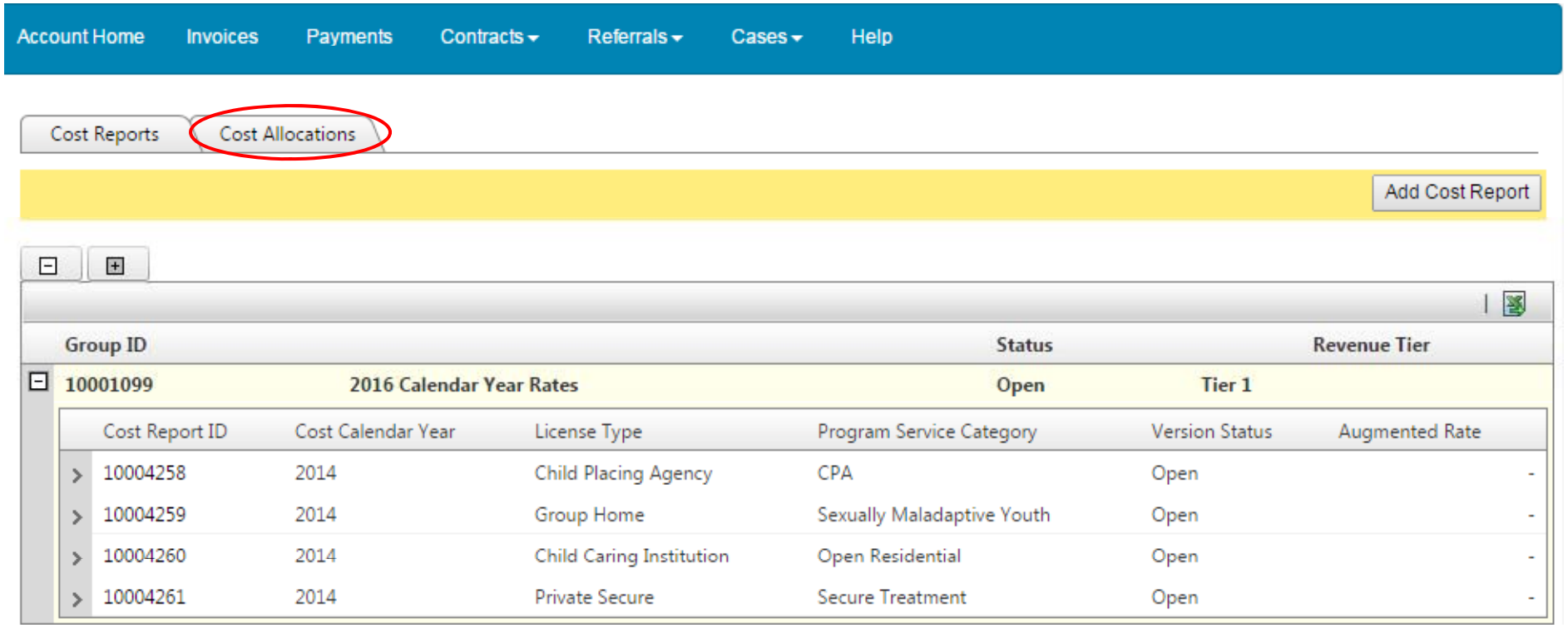
Click “Contracts” and then select “I-Rate”



I-Rate Cost Report Tutorial

Cost Allocations Tab

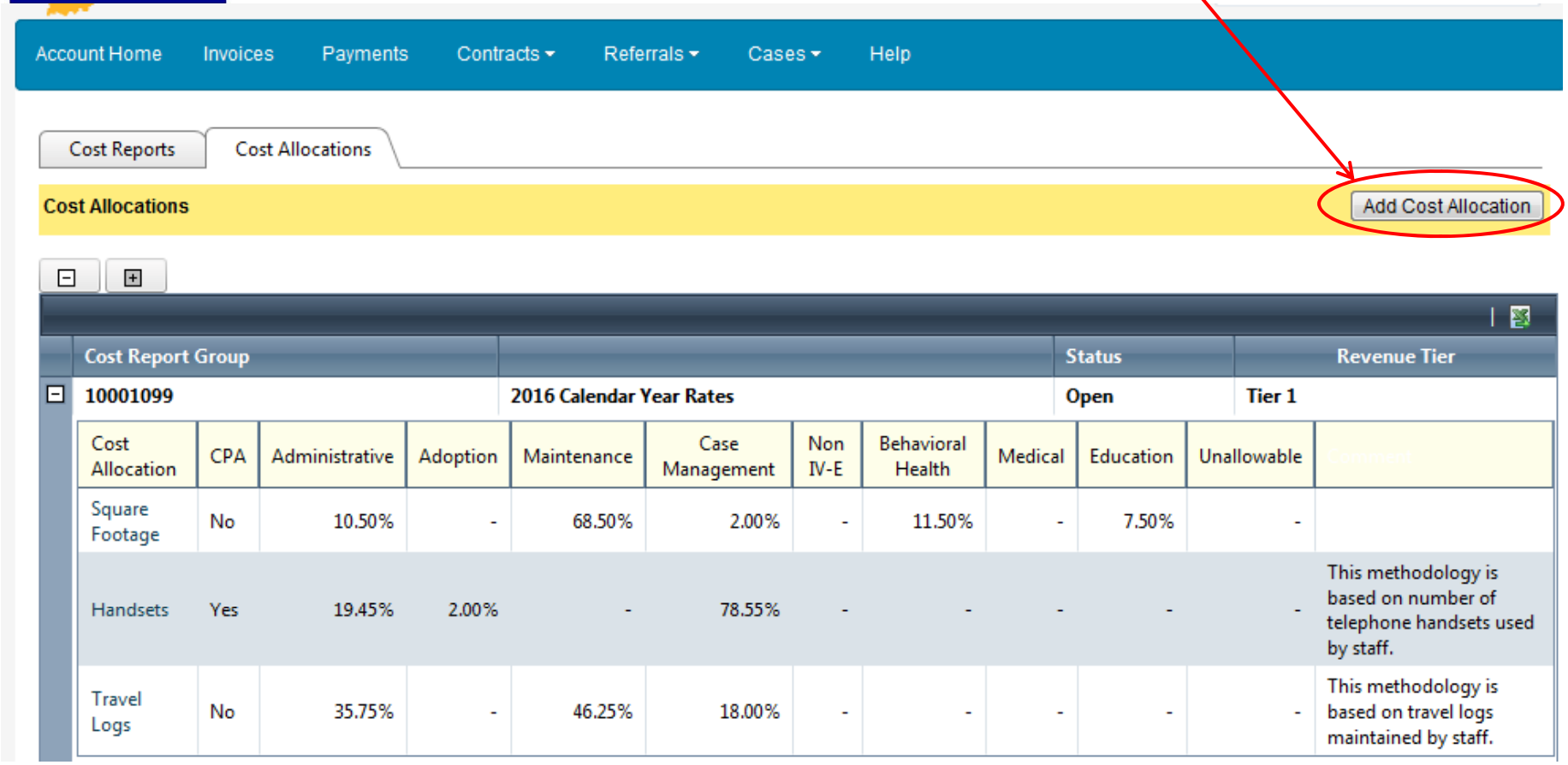
- NEW feature this year
- Click “Cost Allocations” to access this area



I-Rate Cost Report Tutorial

Cost Allocations Tab

Click “Add Cost Allocation” to add a customized cost allocation to be used on cost reports



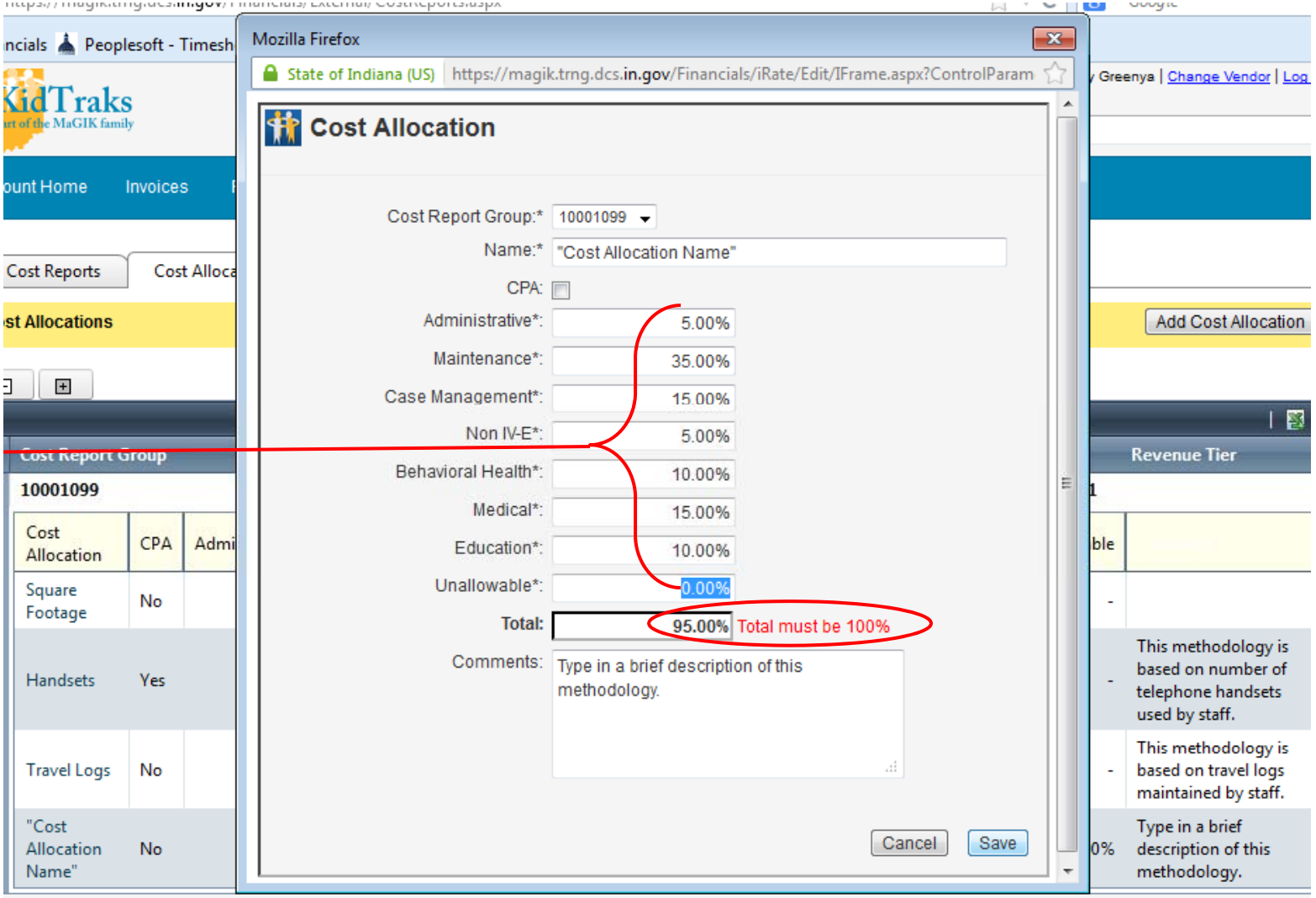
Cost Report Group		Status	Revenue Tier
10001099	2016 Calendar Year Rates	Open	Tier 1

Cost Allocation	CPA	Administrative	Adoption	Maintenance	Case Management	Non IV-E	Behavioral Health	Medical	Education	Unallowable	Comment
Square Footage	No	10.50%	-	68.50%	2.00%	-	11.50%	-	7.50%	-	
Handsets	Yes	19.45%	2.00%	-	78.55%	-	-	-	-	-	This methodology is based on number of telephone handsets used by staff.
Travel Logs	No	35.75%	-	46.25%	18.00%	-	-	-	-	-	This methodology is based on travel logs maintained by staff.

I-Rate Cost Report Tutorial

Cost Allocations Tab

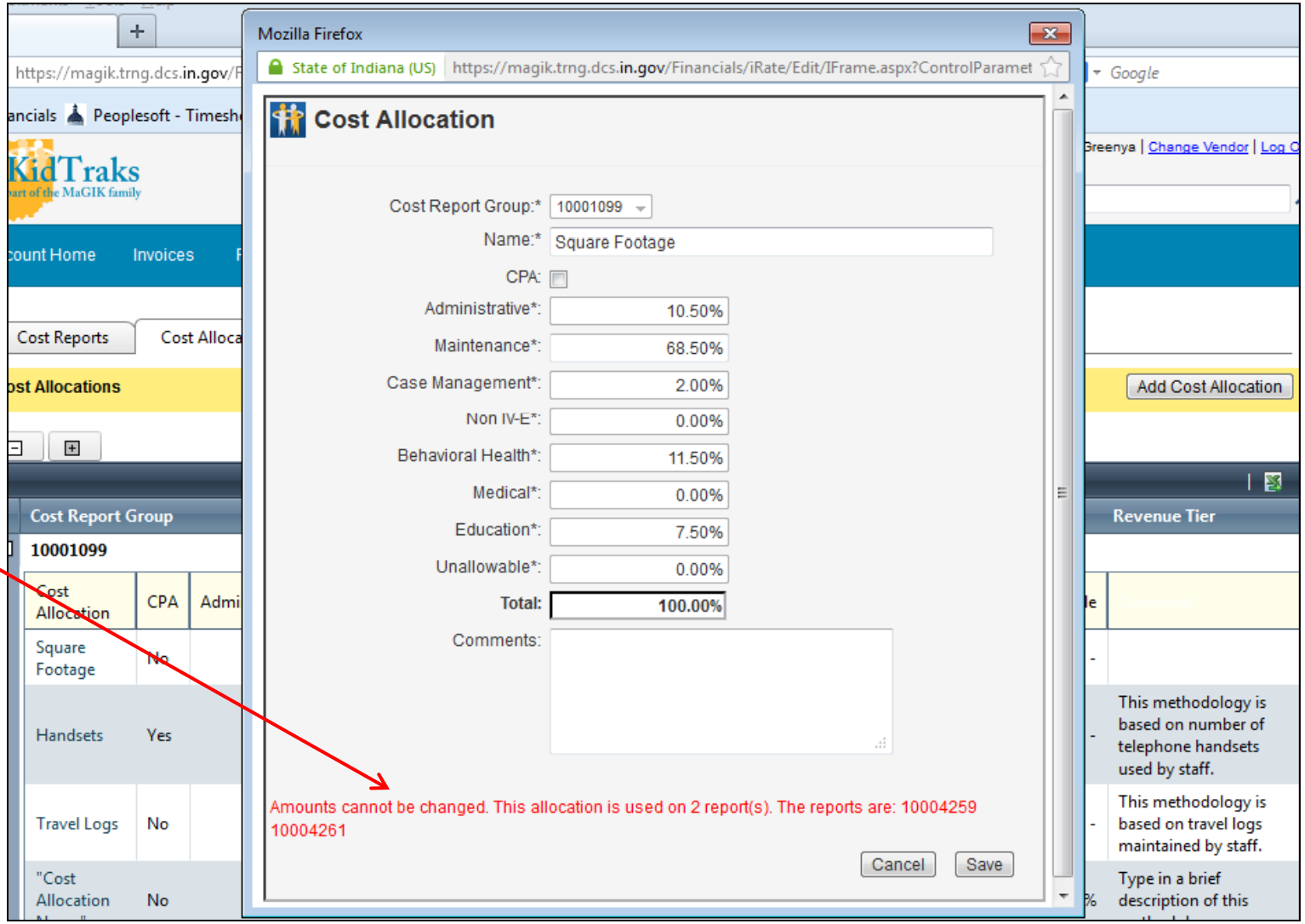
Enter in the percentage allocated to each cost activity column.



I-Rate Cost Report Tutorial

Cost Allocations Tab

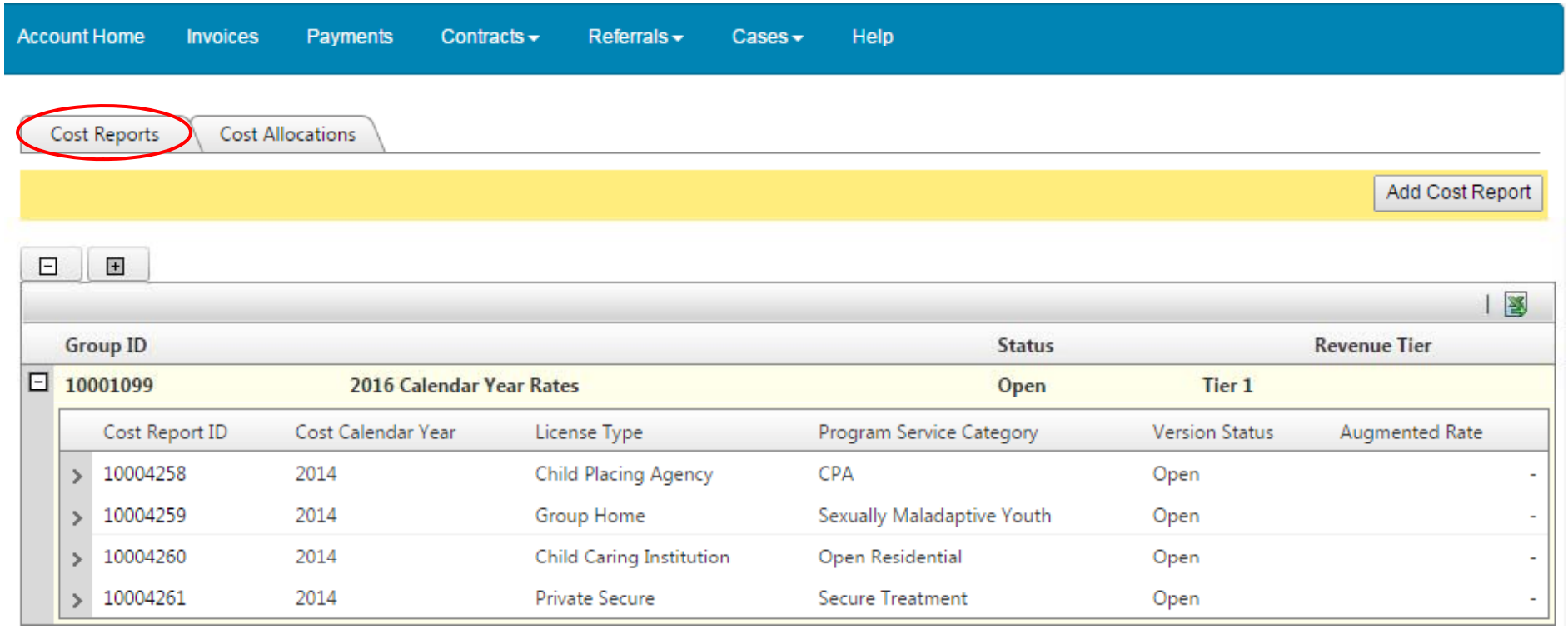
If a custom allocation is being used on a cost report, it cannot be modified.



I-Rate Cost Report Tutorial

Cost Reports Tab

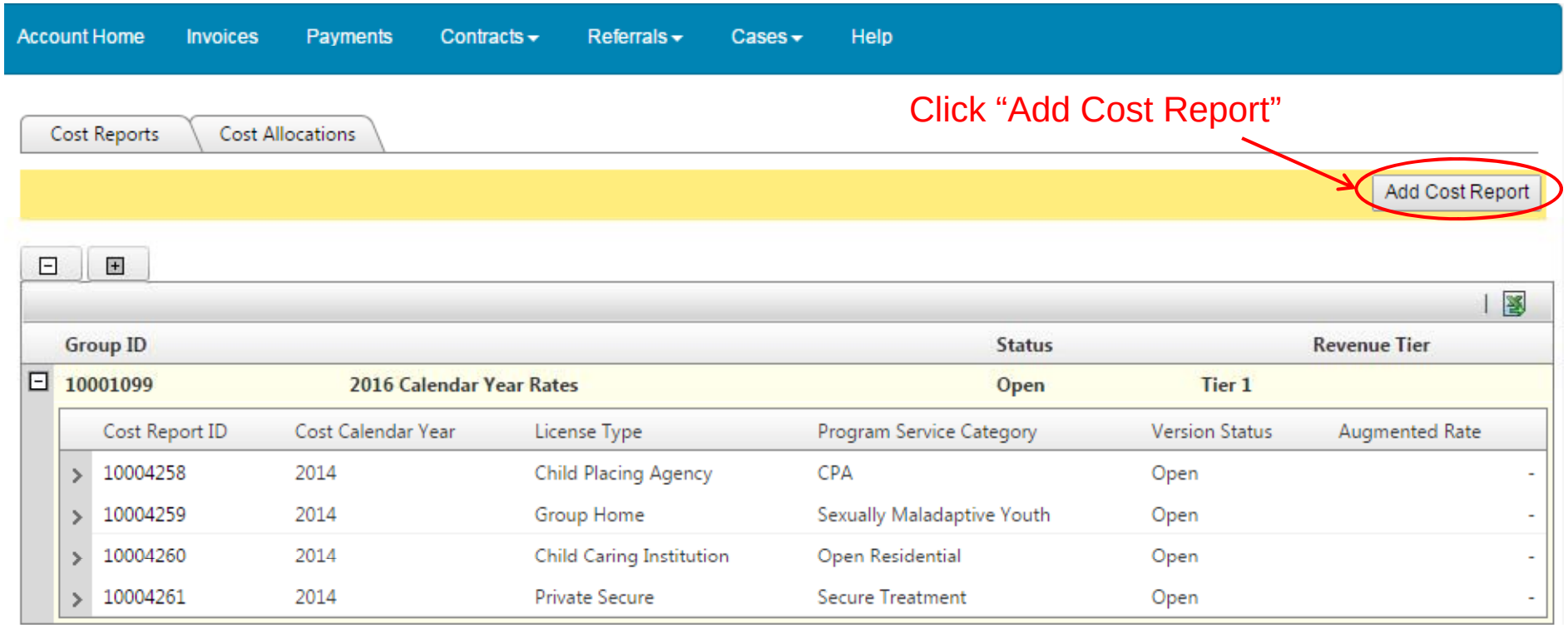
- 2016 Calendar Year Rates cost report group will be empty
- Previous year's cost reports can be accessed from this tab as well



I-Rate Cost Report Tutorial

Adding a cost report

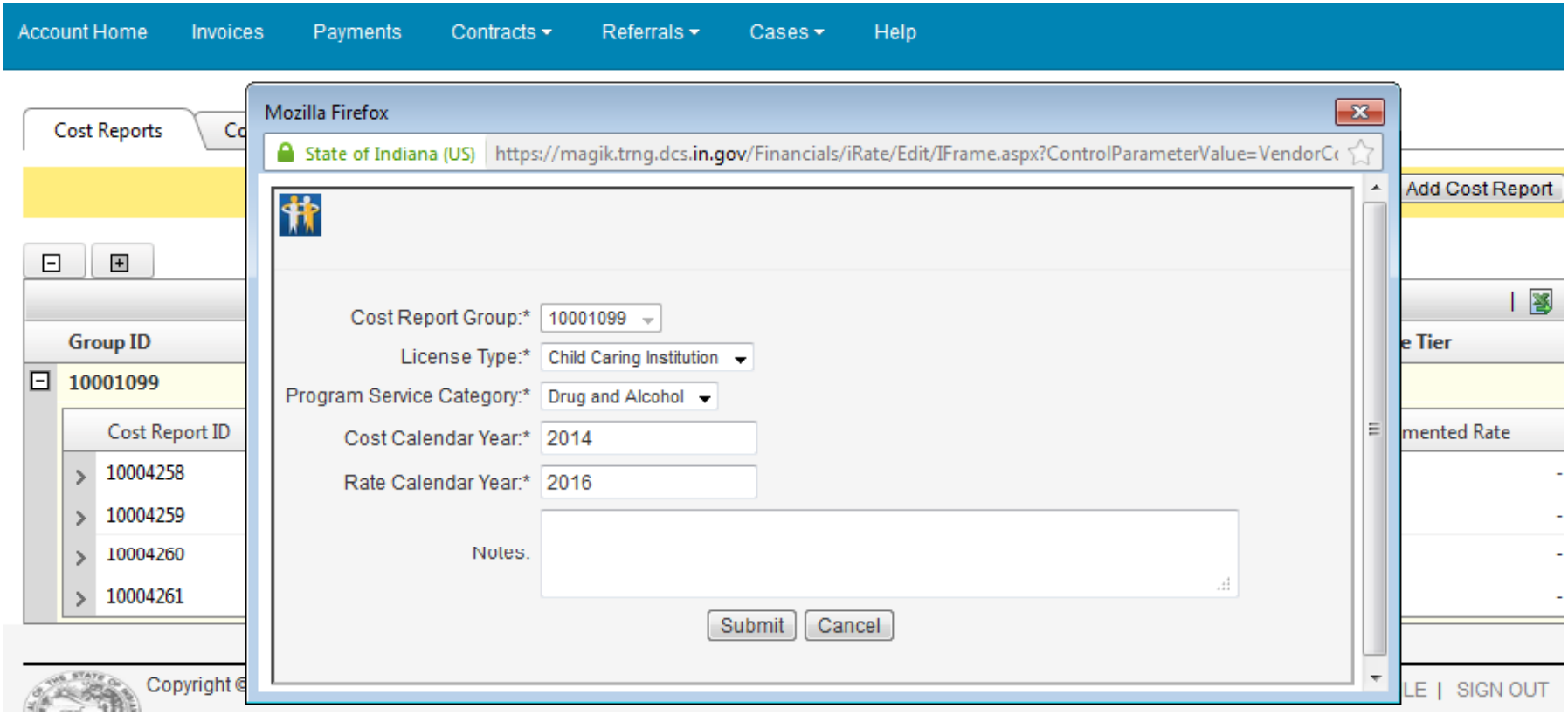
-Only a user with “Create/Modify” permissions in I-Rate can add a cost report



I-Rate Cost Report Tutorial

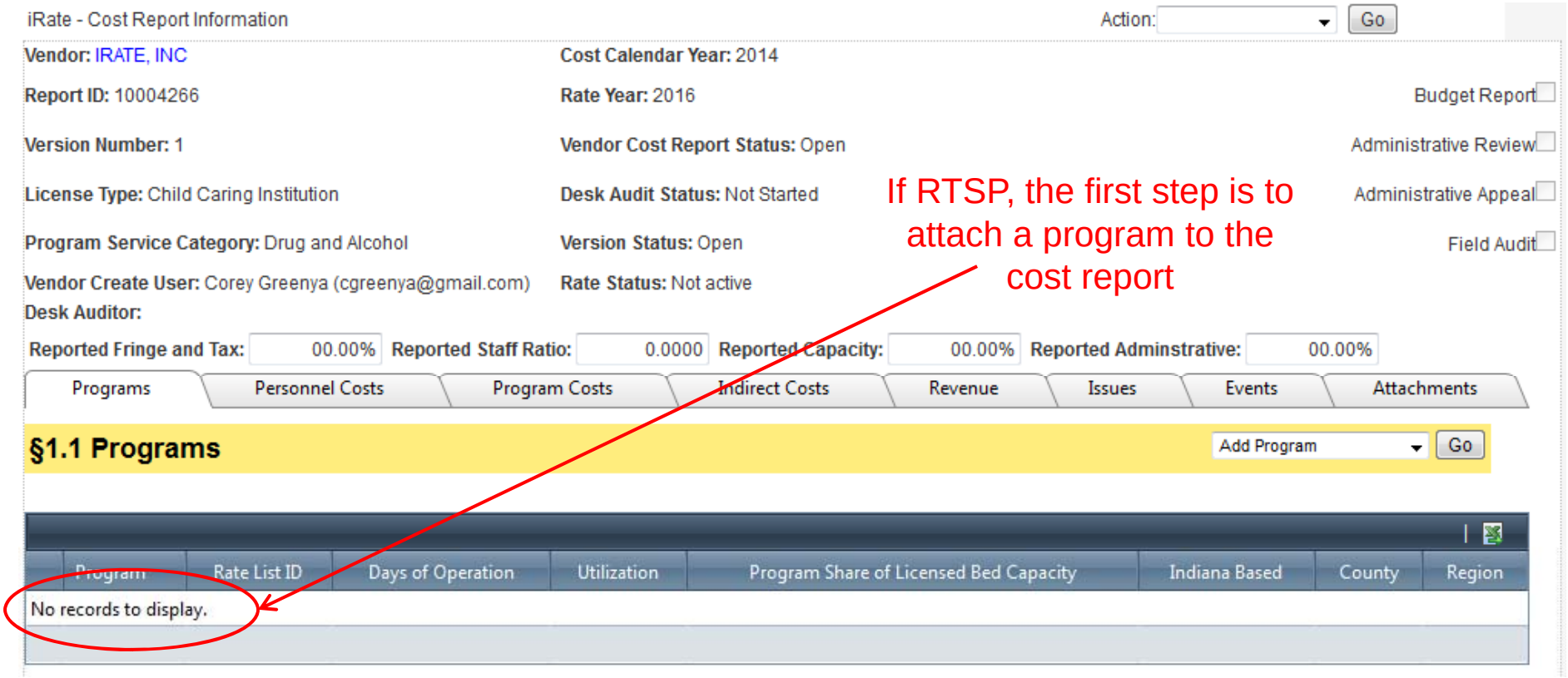
Adding a cost report

- You can only add reports for programs that are listed in the Licenses and Programs section of KidTraks
- If a cost report is needed for a program that is not listed, contact DCS Rate Setting Staff



I-Rate Cost Report Tutorial

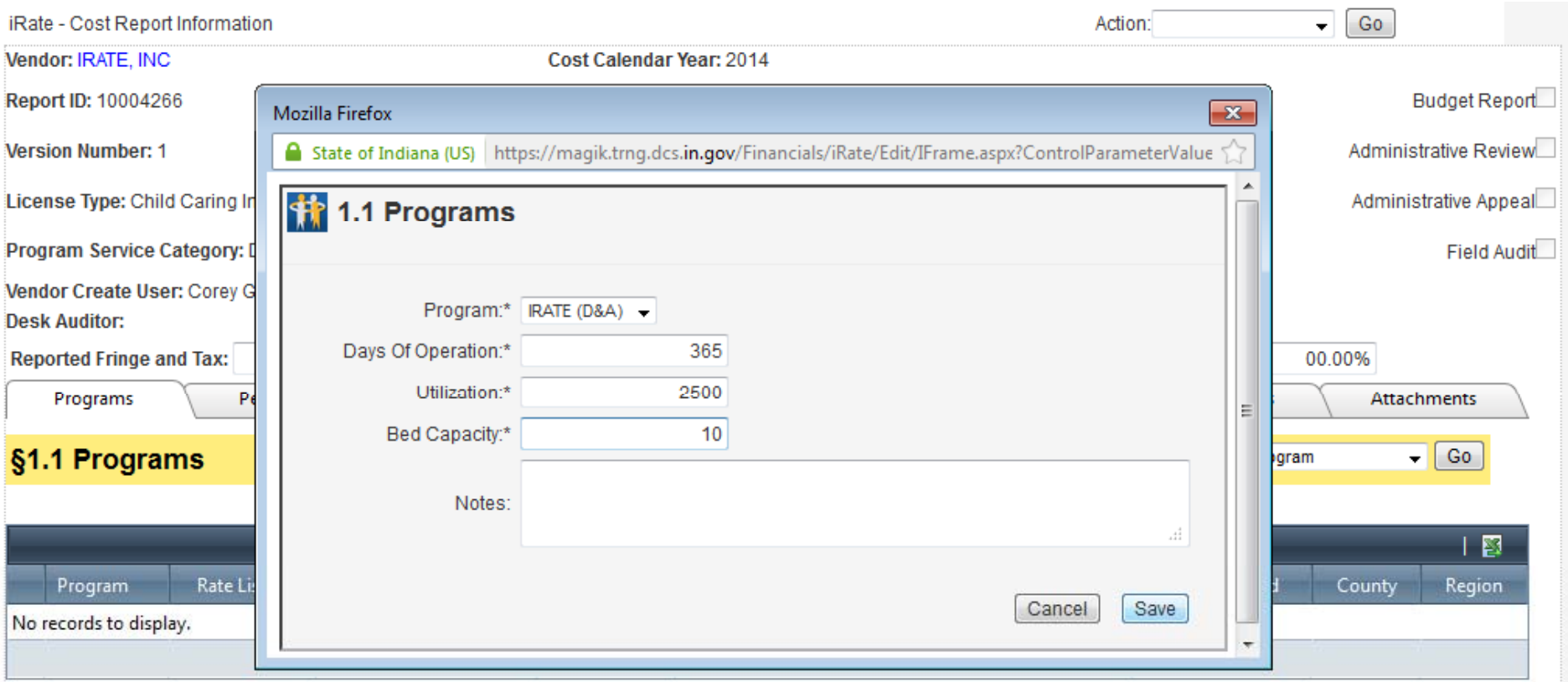
Once cost report is added, you will be redirected to this screen to begin populating the report with program and cost data.



I-Rate Cost Report Tutorial

Adding a program to the cost report

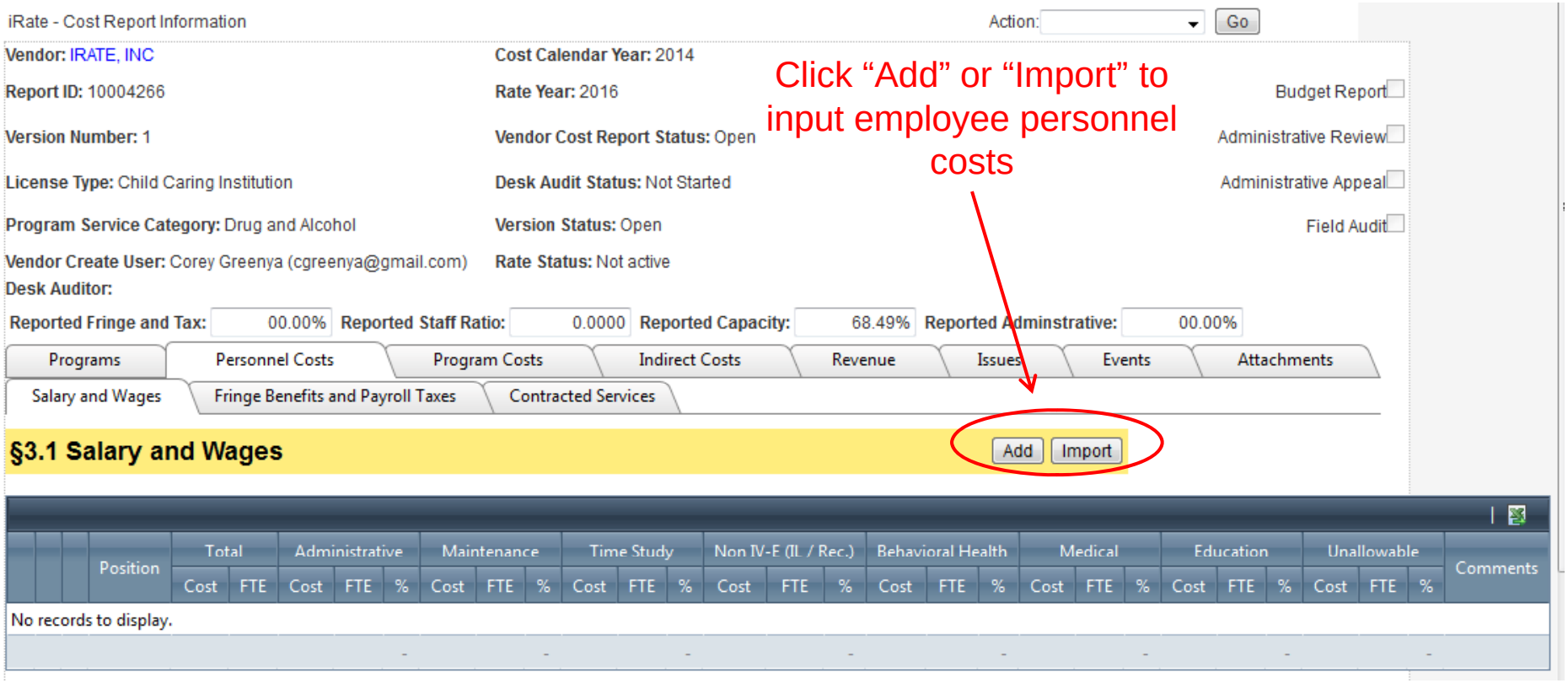
- A program can only be added to one cost report
- Only programs with the same License type and Program Service Category can be added



I-Rate Cost Report Tutorial

Adding employee cost and FTE data to §3.1 Salary and Wages

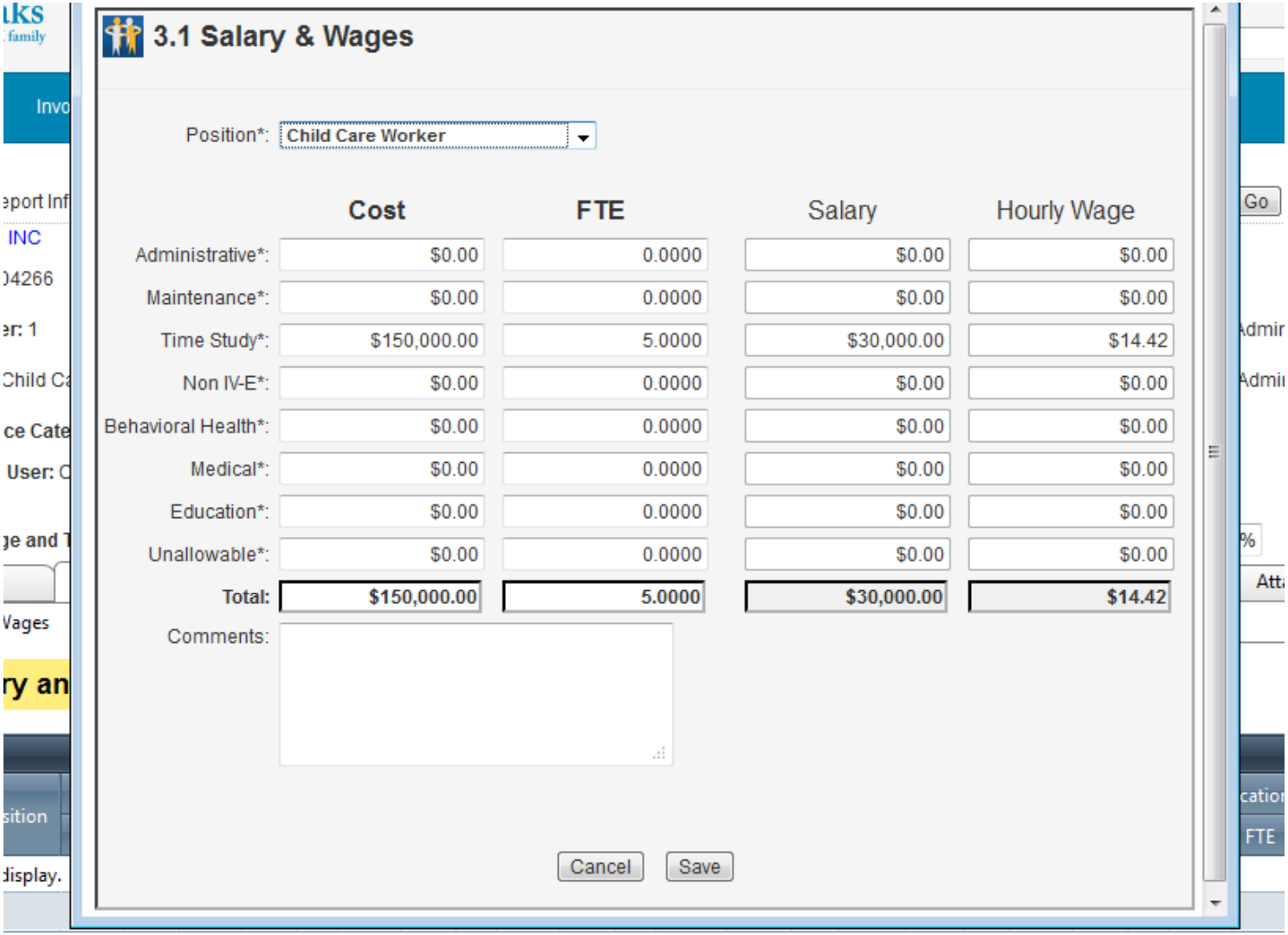
- The same process is followed for adding information to §3.3 Contracted Services



INDIANA DEPARTMENT OF CHILD SERVICES

I-Rate Cost Report Tutorial

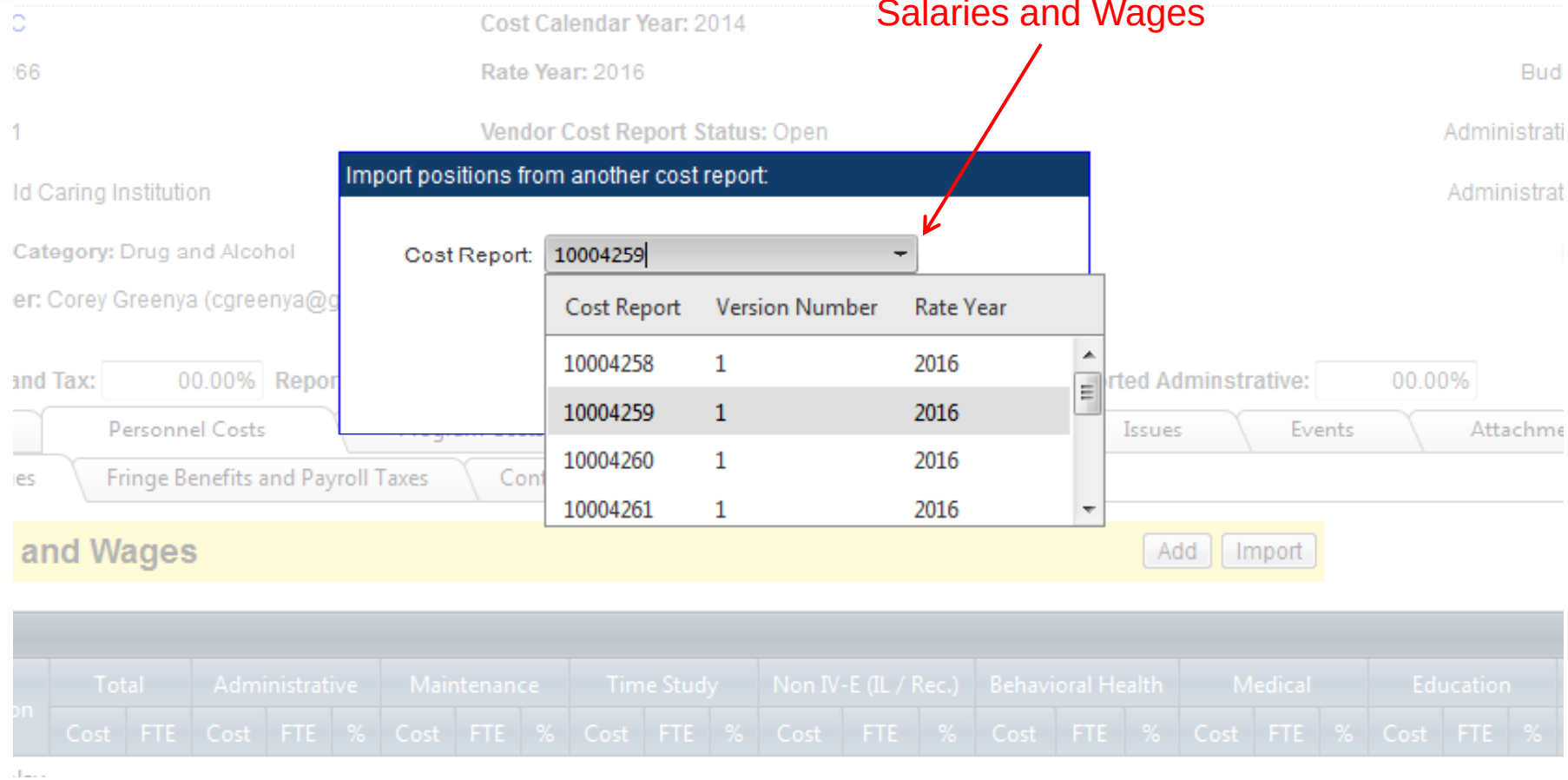
Adding a single position's cost and FTE



I-Rate Cost Report Tutorial

Importing position's used on another cost report

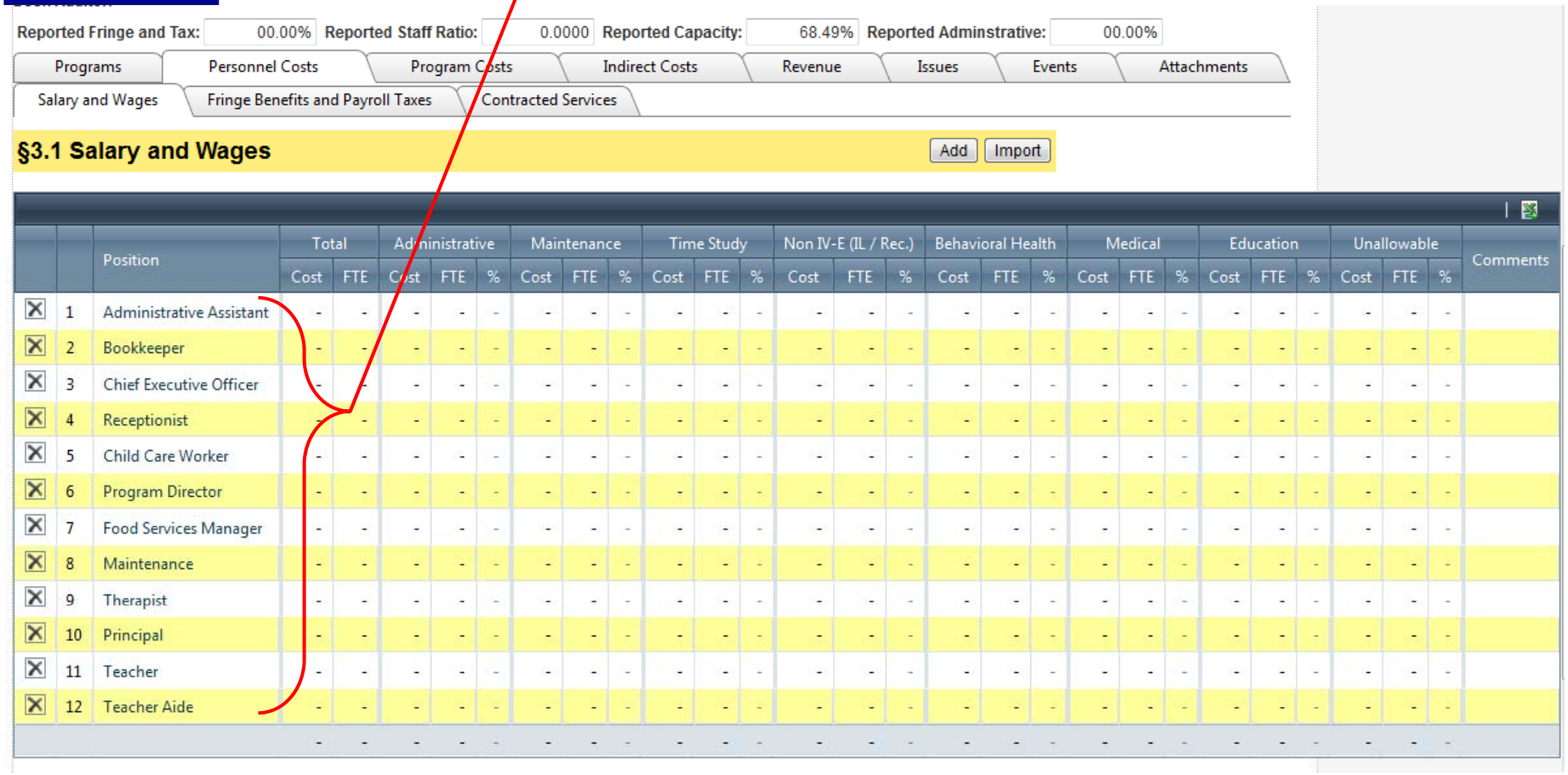
Select the cost report you would like to use to populate the positions identified in §3.1 Salaries and Wages



I-Rate Cost Report Tutorial

Importing position's used on another cost report

Click on each position title to input Cost and FTE data.



		Position	Total		Administrative			Maintenance			Time Study			Non IV-E (IL / Rec.)			Behavioral Health			Medical			Education			Unallowable			Comments
			Cost	FTE	Cost	FTE	%	Cost	FTE	%	Cost	FTE	%	Cost	FTE	%	Cost	FTE	%	Cost	FTE	%	Cost	FTE	%	Cost	FTE	%	
☒	1	Administrative Assistant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	2	Bookkeeper	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	3	Chief Executive Officer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	4	Receptionist	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	5	Child Care Worker	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	6	Program Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	7	Food Services Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	8	Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	9	Therapist	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	10	Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	11	Teacher	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
☒	12	Teacher Aide	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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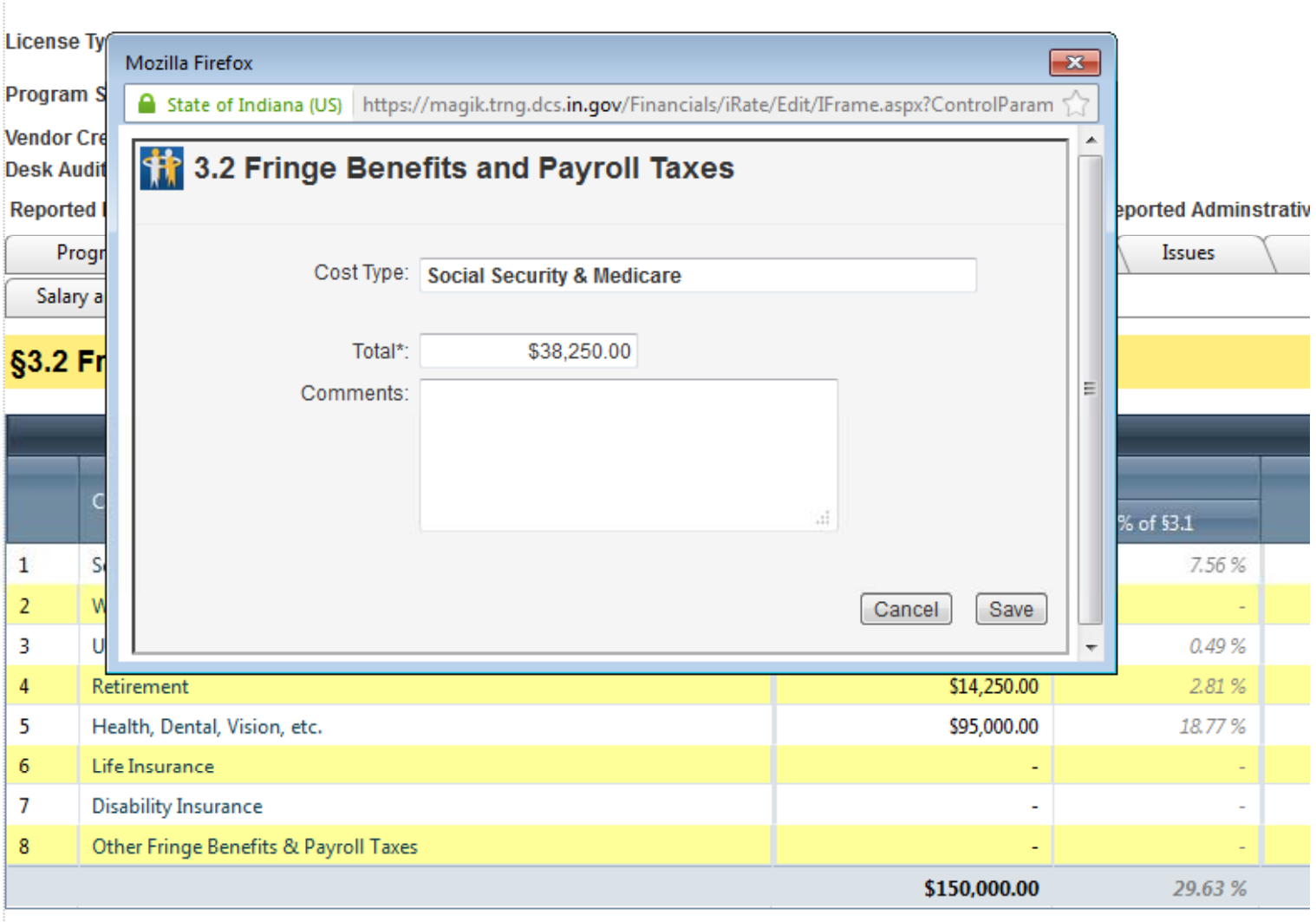
INDIANA DEPARTMENT OF CHILD SERVICES

I-Rate Cost Report Tutorial

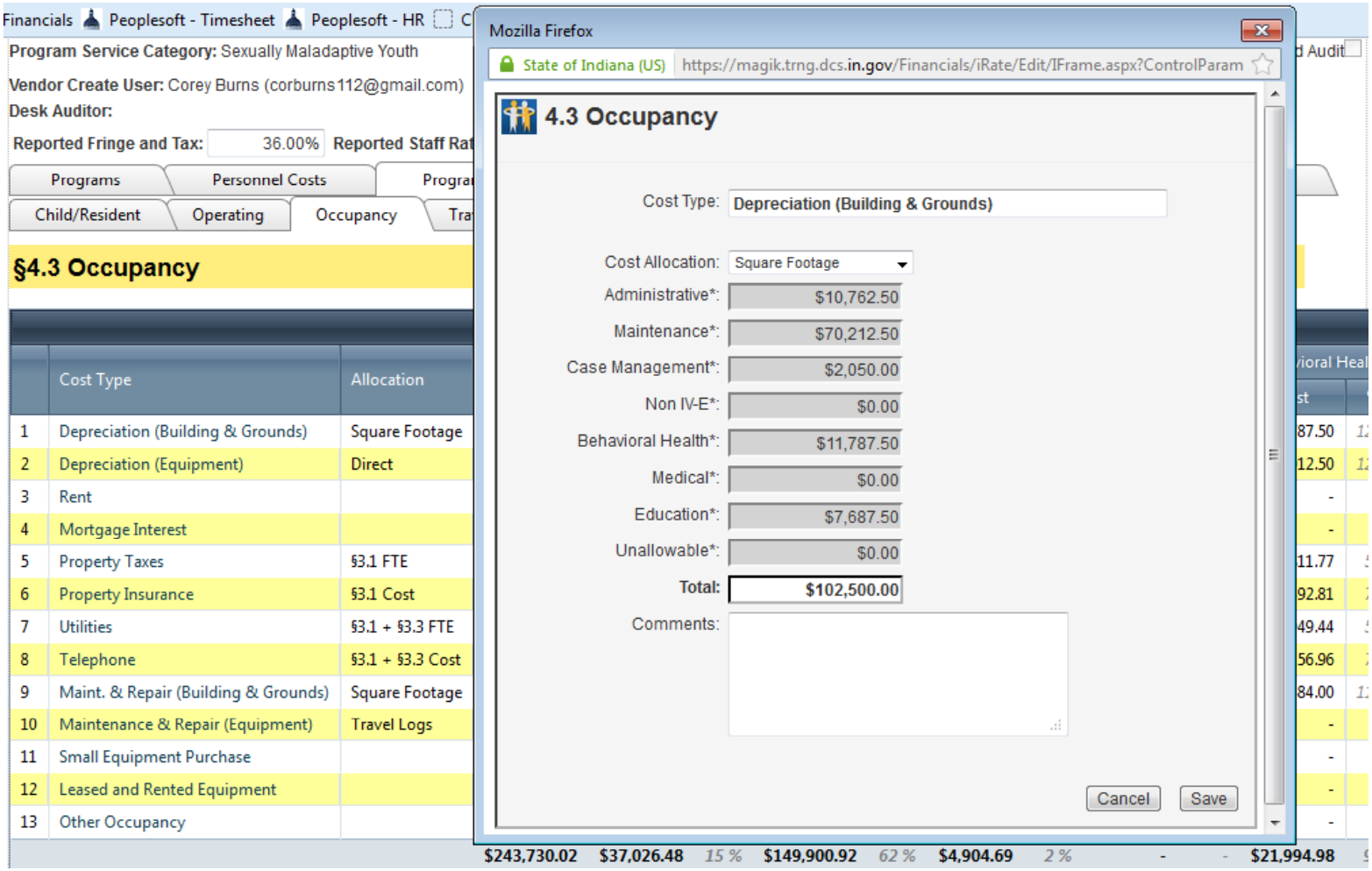
Adding Fringe Benefits & Payroll Taxes



INDIANA DEPARTMENT OF CHILD SERVICES

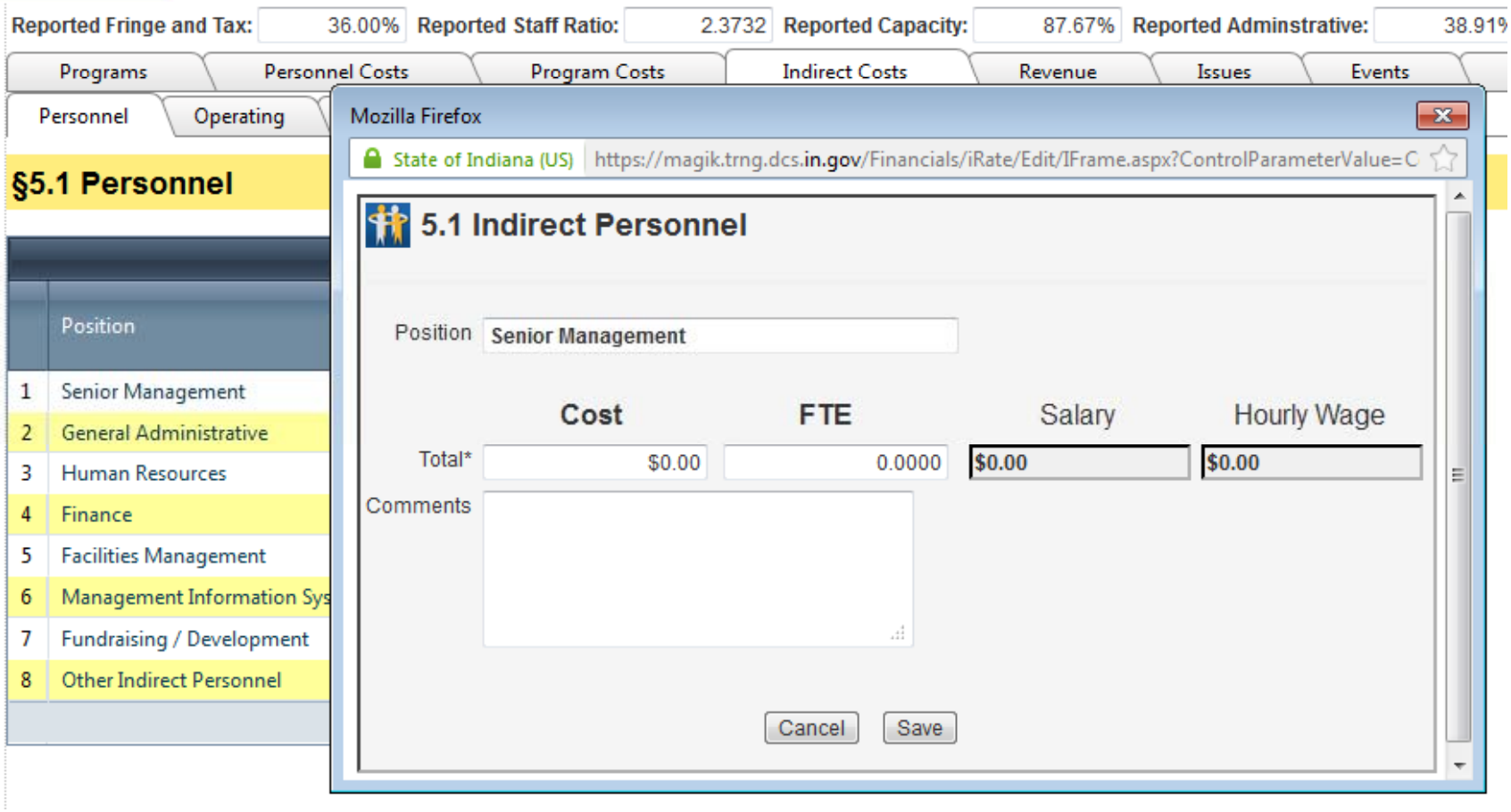
I-Rate Cost Report Tutorial

Adding Program Costs



I-Rate Cost Report Tutorial

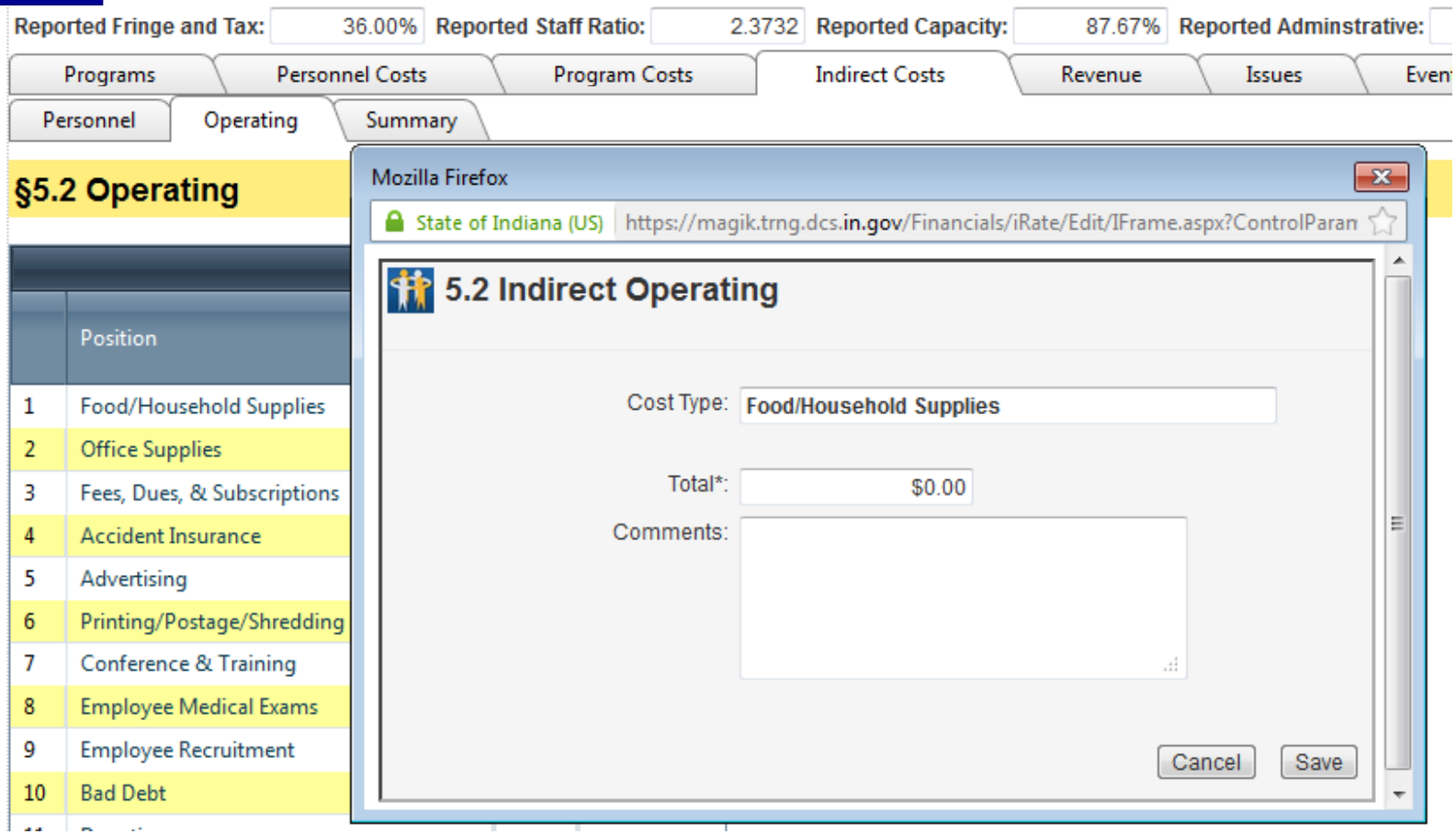
Adding Indirect Administrative Costs



INDIANA DEPARTMENT OF CHILD SERVICES

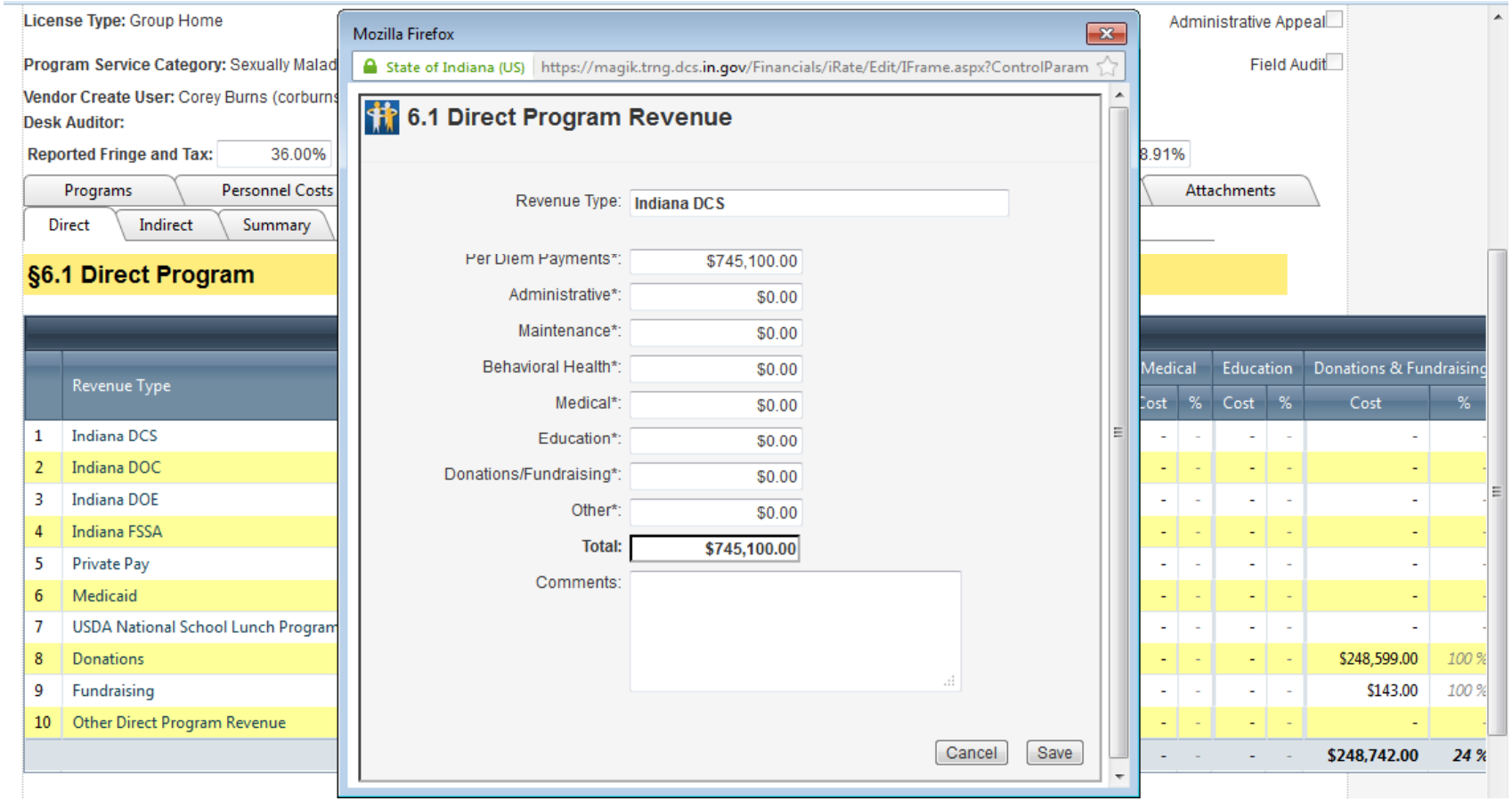
I-Rate Cost Report Tutorial

Adding Indirect Administrative Costs



I-Rate Cost Report Tutorial

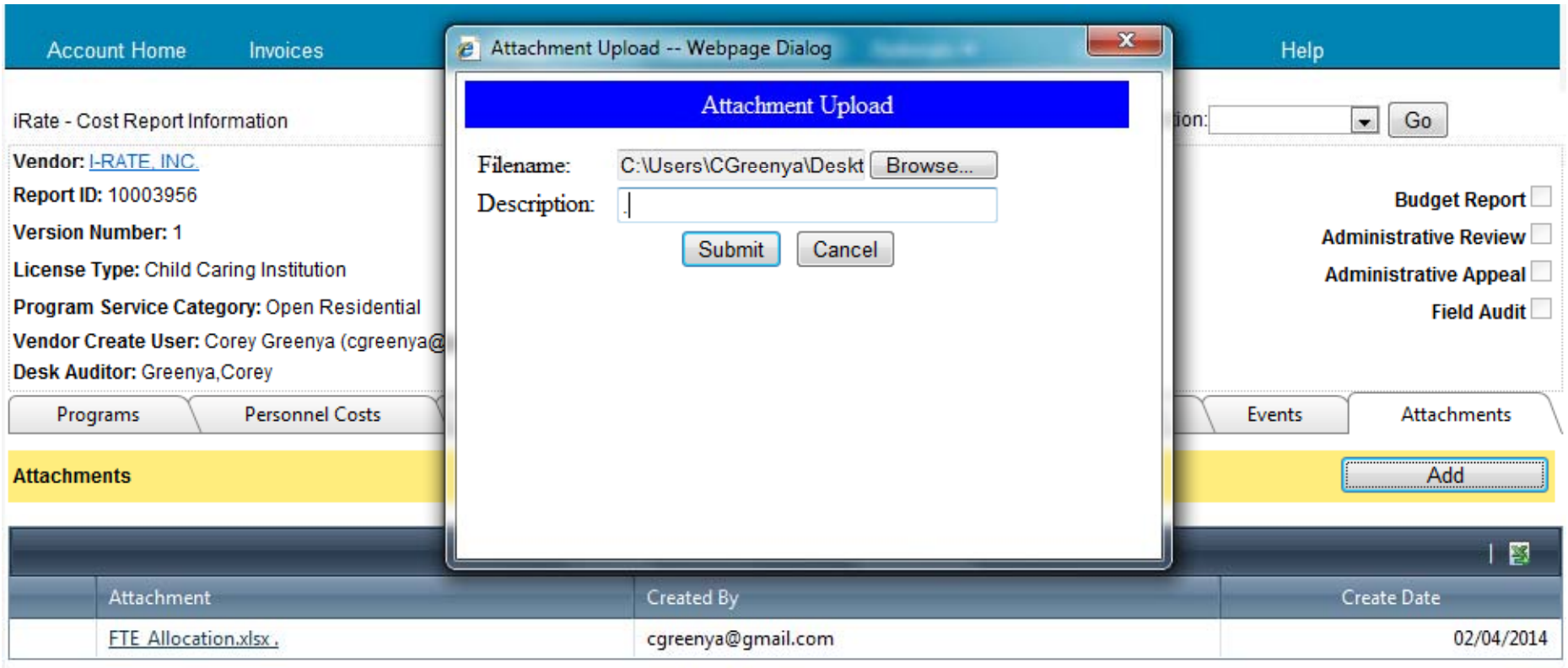
Adding Revenue



I-Rate Cost Report Tutorial

Attachments can be added

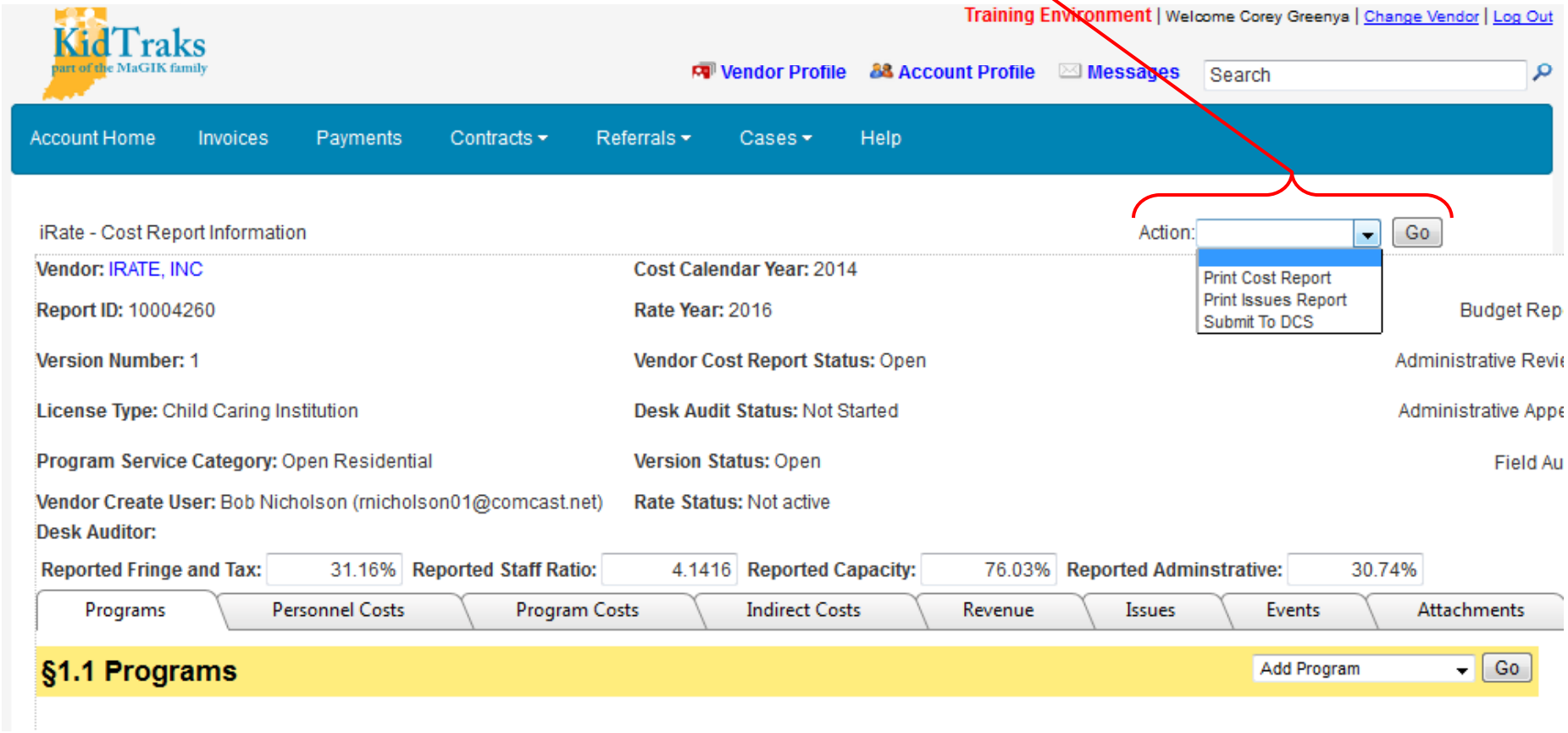
- Scanned Licenses, Financial Documents, Allocation Spreadsheets, etc…
- enter " . " in the Description field



I-Rate Cost Report Tutorial

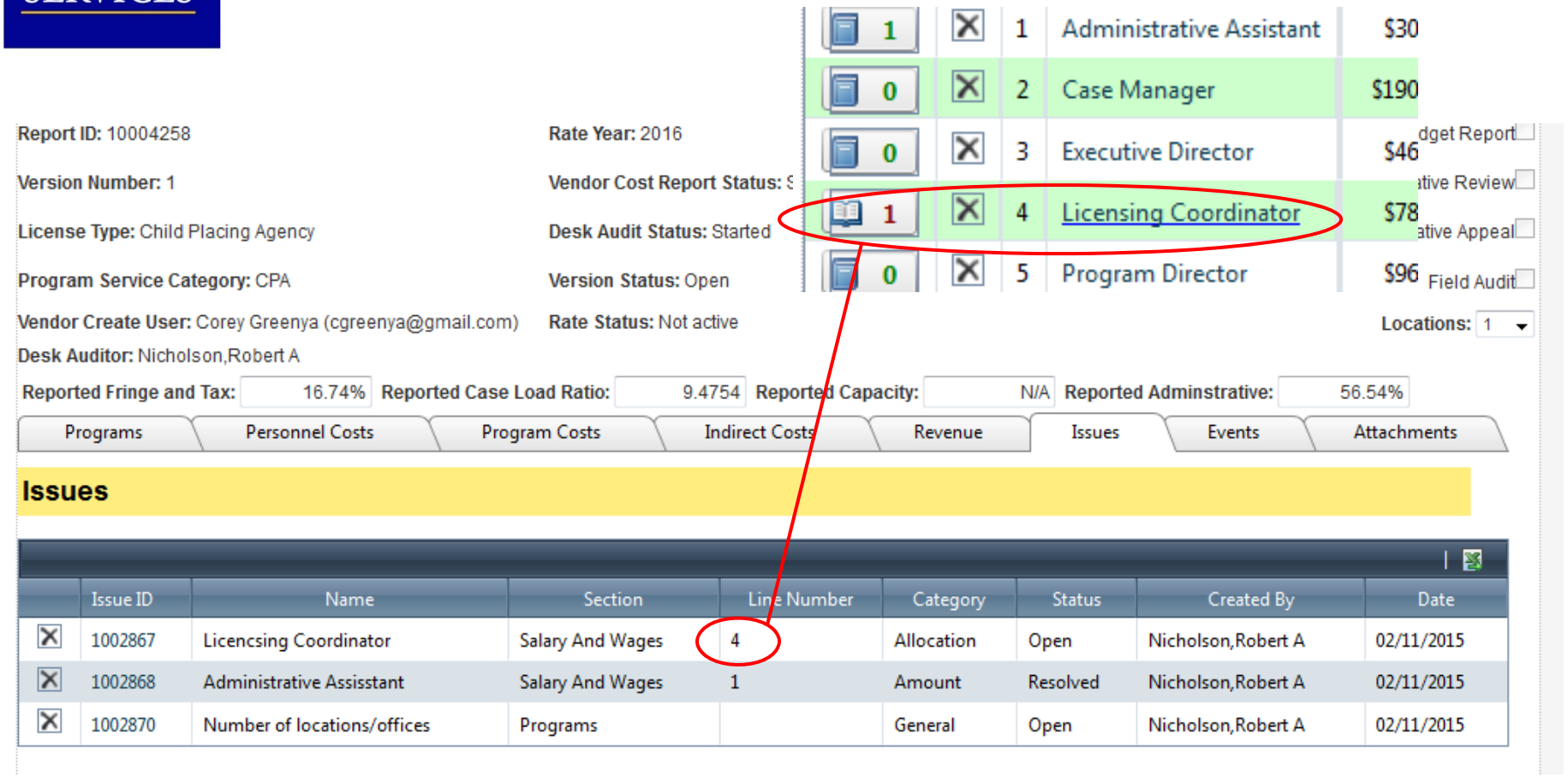
"Action" drop down list

- Submit Cost Report
- Print Cost Report



I-Rate Cost Report Tutorial

Issues / Questions posed by the Desk Auditor



1		1	Administrative Assistant	$30			
0		2	Case Manager	$190			
0		3	Executive Director	$46			
1		4	Licensing Coordinator	$78			
0		5	Program Director	$96			

Report ID: 10004258 **Rate Year:** 2016

Version Number: 1 **Vendor Cost Report Status:** S

License Type: Child Placing Agency **Desk Audit Status:** Started

Program Service Category: CPA **Version Status:** Open

Vendor Create User: Corey Greenya (cgreenya@gmail.com) **Rate Status:** Not active

Desk Auditor: Nicholson,Robert A

dget Report
ative Review
ative Appeal
Field Audit

Locations: 1

Reported Fringe and Tax: 16.74% **Reported Case Load Ratio:** 9.4754 **Reported Capacity:** N/A **Reported Adminstrative:** 56.54%

Programs | Personnel Costs | Program Costs | Indirect Costs | Revenue | Issues | Events | Attachments

Issues

	Issue ID	Name	Section	Line Number	Category	Status	Created By	Date
☒	1002867	Licencsing Coordinator	Salary And Wages	4	Allocation	Open	Nicholson,Robert A	02/11/2015
☒	1002868	Administrative Assisstant	Salary And Wages	1	Amount	Resolved	Nicholson,Robert A	02/11/2015
☒	1002870	Number of locations/offices	Programs		General	Open	Nicholson,Robert A	02/11/2015

I-Rate Cost Report Tutorial

Email sent to user who created cost report

-click on cost report ID to be redirected to the cost report

From: DCS Rate Setting Unit [mailto:DCSRateSetting@dcs.in.gov]
Sent: Wednesday, February 11, 2015 12:36 PM
To: Cox, Barry D
Subject: Cost Report 10004258 Issues and Questions

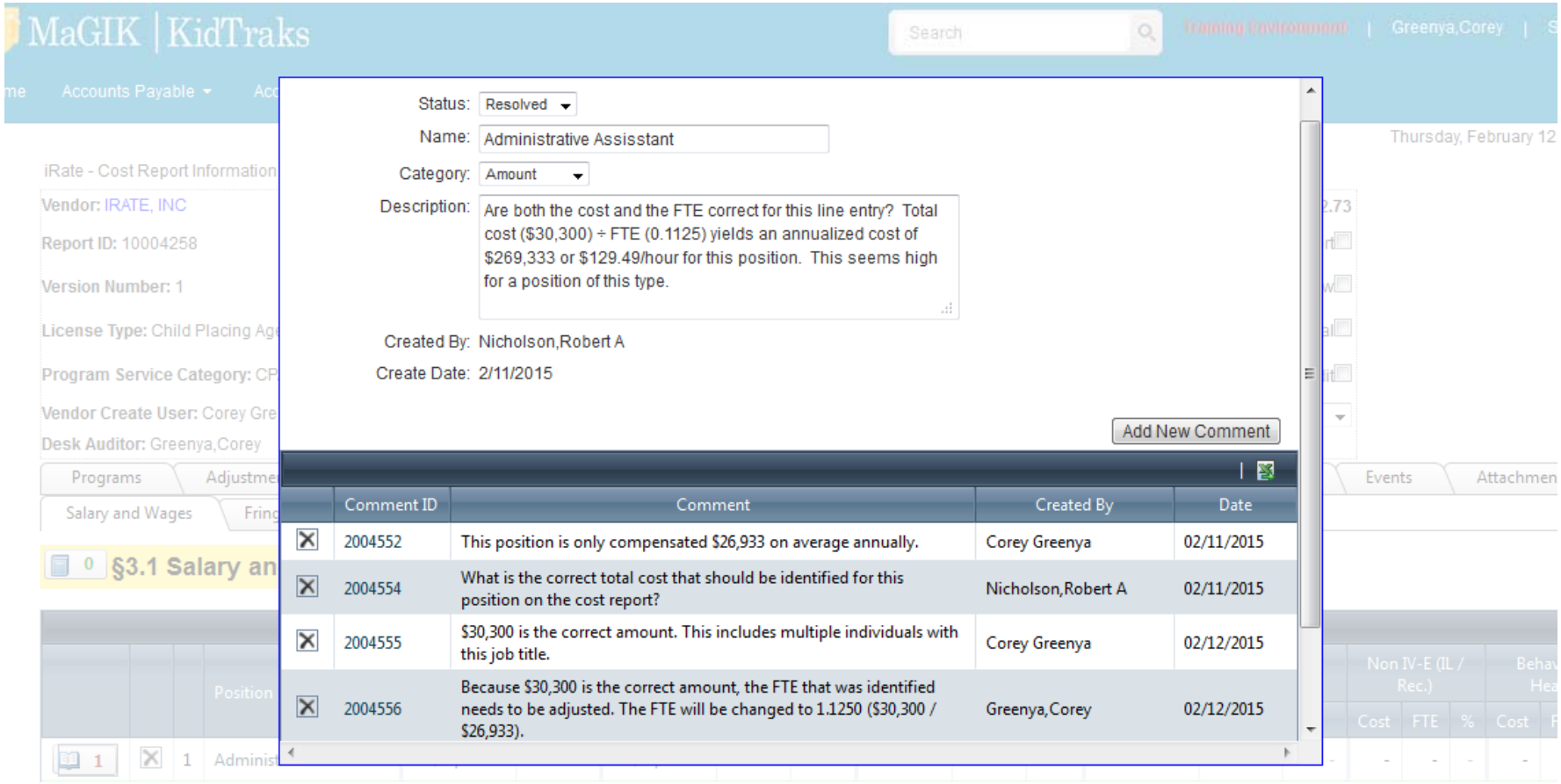
Dear Corey Greenya,

Cost report 10004258 has been reviewed by DCS Rate Setting Staff. Please address the issues below by adding your comments to each issue in the I-Rate cost report. You will only be able to change lines that have unresolved issues. If you have any questions on how to provide responses to these issues, please contact Robert Nicholson at Robert.Nicholson@dcs.IN.gov.

Issue ID	Issue Name	Section	Line Number	Issue Description	Created By	Date
1002867	Licencsing Coordinator	Salary And Wages	4	Why was this position allocated to Time Study. We need a job description for this position.	Nicholson,Robert A	02/11/2015
1002868	Administrative Assisstant	Salary And Wages	1	Are the Amount and FTE correct for this position? The annualized cost I=for this position is $26,933. Last year the annualized cost for this position was $22,550.	Nicholson,Robert A	02/11/2015

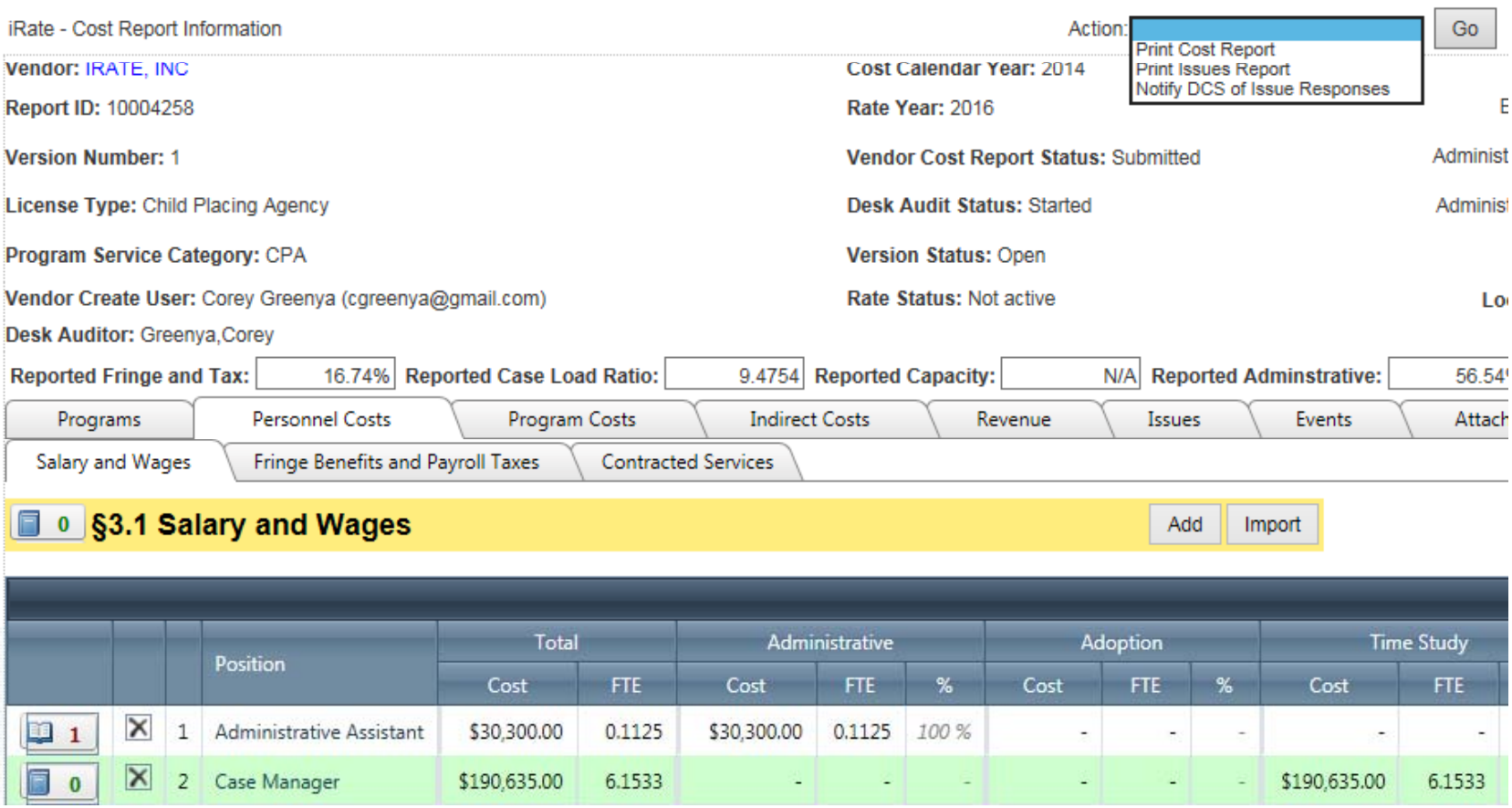
I-Rate Cost Report Tutorial

Responding to Issues / Questions posed by the Desk Auditor



I-Rate Cost Report Tutorial

- Notify DCS of Issue Responses
- Print Issues Report



I-Rate Cost Report Tutorial

Printed Issues Report

- PDF printout of all Issues and Comments

Cost Report Issues

Vendor: IRATE, INC
License Type: Child Placing Agency
Program Service Category: CPA

I-Rate Cost Report ID: 10004258
Version Number: 1
Year: 2016

Issue ID	Name	Description	Section	Line Number	Cateogory	Status	Created By	Date
1002867	Licencsing Coordinator	Why was this position allocated to Time Study. We need a job description for this position.	Salary And Wages	4	Allocation	Open	Nicholson,Robert A	2/11/2015

Comment	Created By	Date
This position is responsible for all the necessary tasks related to the recruitment and licensing of foster homes / parents.	Corey Greenya	2/11/2015

Issue ID	Name	Description	Section	Line Number	Cateogory	Status	Created By	Date
1002868	Administrative Assisstant	Are both the cost and the FTE correct for this line entry? Total cost ($30,300) ÷ FTE (0.1125) yields an annualized cost of $269,333 or $129.49/hour for this position. This seems high for a position of this type.	Salary And Wages	1	Amount	Open	Nicholson,Robert A	2/11/2015

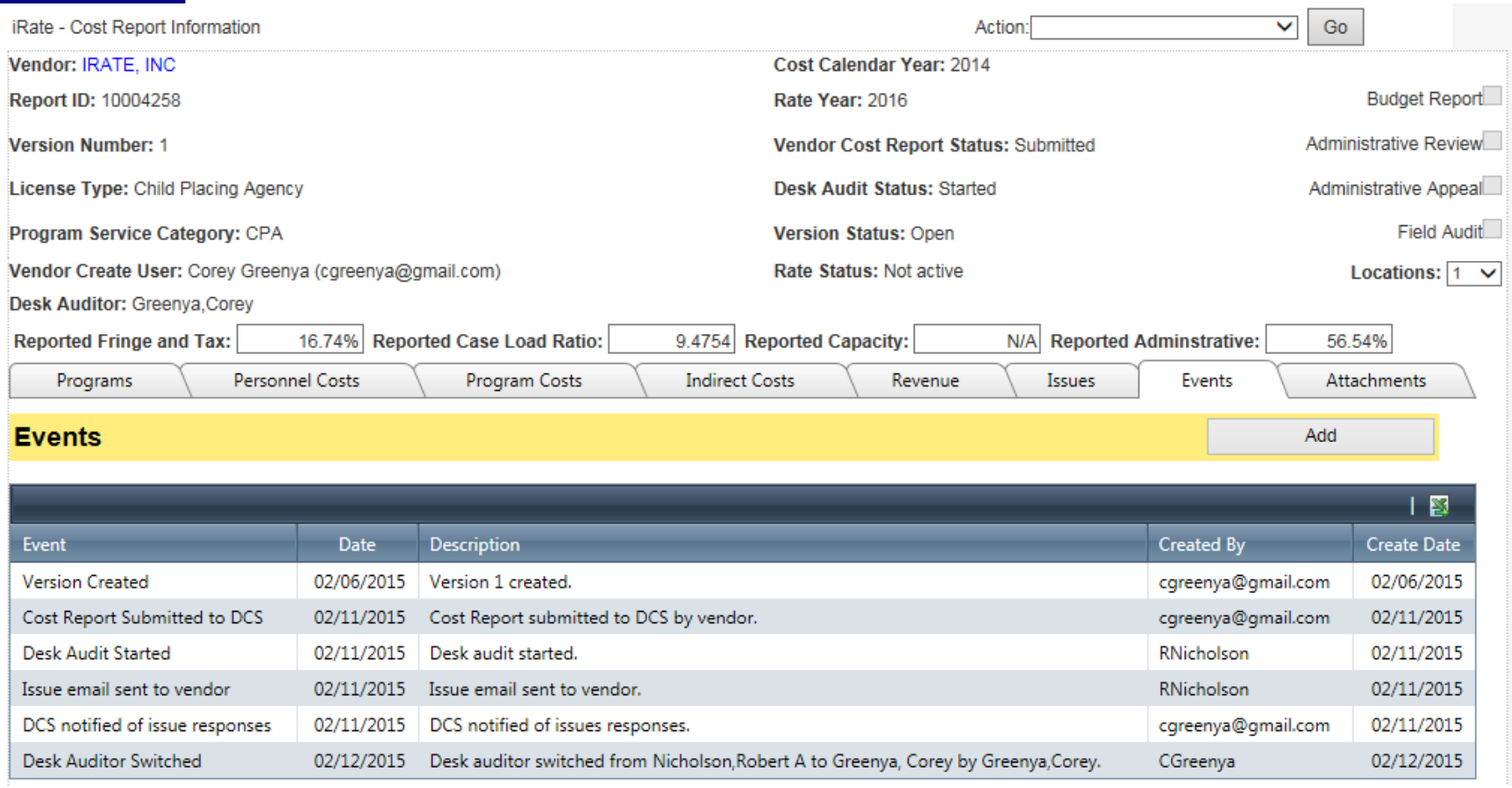
Comment	Created By	Date
This position is only compensated $26,933 on average annually.	Corey Greenya	2/11/2015
What is the correct total cost that should be identified for this position on the cost report?	Nicholson,Robert A	2/11/2015
$30,300 is the correct amount. This includes multiple individuals with this job title.	Corey Greenya	2/12/2015
Because $30,300 is the correct amount, the FTE that was identified needs to be adjusted. The FTE will be changed to 1.1250 ($30,300 / $26,933).	Greenya,Corey	2/12/2015

Issue ID	Name	Description	Section	Line Number	Cateogory	Status	Created By	Date
1002870	Number of locations/offices	How many locations/offices were in operation during CY 2014? Where were these offices located?	Programs		General	Open	Nicholson,Robert A	2/11/2015

Comment	Created By	Date
IRATE, Inc. has Child Placing Agency offices at 2 different locations. One location is in Allen county and the other location is in Marion county.	Corey Greenya	2/11/2015

I-Rate Cost Report Tutorial

Cost Report events are logged automatically



Event	Date	Description	Created By	Create Date
Version Created	02/06/2015	Version 1 created.	cgreenya@gmail.com	02/06/2015
Cost Report Submitted to DCS	02/11/2015	Cost Report submitted to DCS by vendor.	cgreenya@gmail.com	02/11/2015
Desk Audit Started	02/11/2015	Desk audit started.	RNicholson	02/11/2015
Issue email sent to vendor	02/11/2015	Issue email sent to vendor.	RNicholson	02/11/2015
DCS notified of issue responses	02/11/2015	DCS notified of issues responses.	cgreenya@gmail.com	02/11/2015
Desk Auditor Switched	02/12/2015	Desk auditor switched from Nicholson,Robert A to Greenya, Corey by Greenya,Corey.	CGreenya	02/12/2015

Salary Cost Limit Disallowance

3 Tier Salary Cost Limit, referencing Total Vendor Revenue:

- < $1 million = $100,000
- $1 million - $5 million = $125,000
- > $5 million = $175,000

$$\frac{\{Salary\ Cost\ Limit\ -(Reported\ Cost\ \div\ Reported\ FTE)\}}{(Reported\ Cost\ \div\ Reported\ FTE)} = \%\ \text{Disallowance}$$

$$\frac{\{\$175{,}000\ -(\$50{,}000\ \div\ 0.2500)\}}{(\$50{,}000\ \div\ 0.2500)} = 12.50\%$$

$$Reported\ Cost\ \times \%\ Disallowance = \$\ \text{Disallowance}$$

$$\$50{,}000\ \times 12.50\% = \$6{,}250$$

Fringe and Tax Cost Limit Disallowance

$$\frac{\text{§3.2 Fringe Benefits \& Payroll Taxes}}{\left(\text{§3.1 Salary \& Wages Total} - \text{Salary Cost Limit Disallowance}\right)} = \text{Fringe \& Tax Reported}$$

$$\frac{\$150{,}000}{(\$506{,}250 - \$6{,}250)} = 30.00\%$$

$$\left\{\left(\text{§3.1 Salary \& Wages Total} - \text{Salary Cost Limit Disallowance}\right) \times \text{Fringe \& Tax Cost Limit}\right\} - \text{§3.2 Fringe Benefits \& Payroll Taxes Total} = \$ \text{ Disallowance}$$

$$\{(\$506{,}250 - \$6{,}250) \times 28.55\%\} - \$150{,}000 = \$7{,}250.10$$

Staffing/Case Load Ratio Cost Limit Disallowance

$$\frac{\left(\frac{\text{Reported Utilization}}{\text{Days of Operation}}\right)}{\left\{\frac{(\S3.1 + \S3.3\ \text{Time Study FTEs})}{\#\ \text{of 40 hour shifts per week}}\right\}} = \text{Staffing\Case Load Ratio Reported}$$

RTSP Only

$$\frac{\left(\frac{2{,}755}{365}\right)}{\left\{\frac{(7.7100+1.0000)}{4.2}\right\}} = 3.6661\ldots$$

$$\frac{\left(\begin{array}{c}\text{Staffing\Case Load}\\ \text{Ratio Cost Limit}\end{array} - \begin{array}{c}\text{Staffing\Case Load}\\ \text{Ratio Reported}\end{array}\right)}{\text{Staffing\Case Load Ratio Cost Limit}} = \%\ \text{Disallowance}$$

$$\frac{(4.6000 - 3.6661\ldots)}{4.6000} = 20.30\%$$

Note: 20.30% applied to §3.4 lines (3), (8), & (13)

Staffing/Case Load Ratio Cost Limit Disallowance

§3.4 Time Study Allocation will not be available until the cost report has been committed by DCS and the rate has been activated

Vendor: IRATE, INC
License Type: Child Caring Institution
Program Service Category: Open Residential

I-Rate Cost Report ID: 10004260
Version Number: 1
Year: 2014

§3.4 Time Study Allocation

Cost Type	Total	Administrative	Maintenance	Case Management	Non IV-E (IL & Rec.)	Behavioral Health	Medical	Education	Unallowable
(1) T/S Salaries and Wages	$295,000.00	$14,278.00	$258,803.50	$9,587.50	$3,245.00	$5,369.00	-	$3,569.50	$147.50
(2) T/S Salaries and Wages Excess of Cap	-	-	-	-	-	-	-	-	-
(3) T/S Salaries and Wages Subtotal	**$295,000.00**	**$14,278.00**	**$258,803.50**	**$9,587.50**	**$3,245.00**	**$5,369.00**	-	**$3,569.50**	**$147.50**
(4) T/S Salaries and Wages Staff Ratio Excess of Cap	($59,885.00)	($2,898.43)	($52,537.11)	($1,946.26)	($658.74)	($1,089.91)	-	($724.61)	($29.94)
(5) T/S Salaries and Wages Total	**$235,115.00**	**$11,379.57**	**$206,266.39**	**$7,641.24**	**$2,586.27**	**$4,279.09**	-	**$2,844.89**	**$117.56**
(6) T/S Fringe Benefits and Payroll Taxes	$88,500.00	$4,283.40	$77,641.05	$2,876.25	$973.50	$1,610.70	-	$1,070.85	$44.25
(7) T/S Fringe Benefits and Payroll Taxes Excess of Cap	($4,277.56)	($207.03)	($3,752.70)	($139.02)	($47.05)	($77.85)	-	($51.76)	($2.14)
(8) T/S Fringe Benefits and Payroll Taxes Subtotal	**$84,222.44**	**$4,076.37**	**$73,888.35**	**$2,737.23**	**$926.45**	**$1,532.85**	-	**$1,019.09**	**$42.11**
(9) T/S Fringe Benefits and Payroll Taxes Staff Ratio Excess of Cap	($17,097.16)	($827.50)	($14,999.33)	($555.66)	($188.07)	($311.17)	-	($206.88)	($8.55)
(10) T/S Fringe Benefits and Payroll Taxes Total	**$67,125.29**	**$3,248.86**	**$58,889.01**	**$2,181.57**	**$738.38**	**$1,221.68**	-	**$812.22**	**$33.56**
(11) T/S Contracted Services	$35,000.00	$1,694.00	$30,705.50	$1,137.50	$385.00	$637.00	-	$423.50	$17.50
(12) T/S Contracted Services Excess of Cap	-	-	-	-	-	-	-	-	-
(13) T/S Contracted Services Subtotal	**$35,000.00**	**$1,694.00**	**$30,705.50**	**$1,137.50**	**$385.00**	**$637.00**	-	**$423.50**	**$17.50**
(14) T/S Contracted Services Staff Ratio Excess of Cap	($7,105.00)	($343.88)	($6,233.22)	($230.91)	($78.16)	($129.31)	-	($85.97)	($3.55)
(15) T/S Contracted Services Total	**$27,895.00**	**$1,350.12**	**$24,472.28**	**$906.59**	**$306.85**	**$507.69**	-	**$337.53**	**$13.95**
Direct Care Staff Time Study Allocation Total	**$330,135.29**	**$15,978.55**	**$289,627.69**	**$10,729.40**	**$3,631.49**	**$6,008.46**	-	**$3,994.64**	**$165.07**
	100.00%	**4.84%**	**87.73%**	**3.25%**	**1.10%**	**1.82%**	**0.00%**	**1.21%**	**0.05%**

Note: T/S Denotes "Time Study"

Note: 20.30% applied to §3.4 lines (3), (8), & (13)

INDIANA DEPARTMENT OF CHILD SERVICES

Capacity Cost Limit Disallowance

$$\frac{\text{Reported Utilization}}{\text{Potential Days of Service}} = \text{Capacity Reported}$$

$$\frac{2{,}775 \text{ Days}}{3{,}650 \text{ Days}} = 76.03\%$$

Capacity Cost Limit – Capacity Reported = % Disallowance

80.00 % - 76.03 % = 3.97%

§4.3 Occupancy Total × % Disallowance = $ Disallowance

$100,000 × 3.97% = $3,970

§7.2 Administrative Cost Allocation Walk Through

§3.4 Time Study Allocation, §7.1 Total Direct Costs, and §7.2 Administrative Cost Allocation will not be available until the cost report has been committed by DCS and the rate has been activated

Line (1)	=	§7.1 Total Direct Costs Less Excess − §7.1 Total Direct Administrative − §7.1 Total Direct Unallowable + §3.4 Time Study Administrative Total
$551,407.54	=	$746,692.74 - $211,098.69 - $165.07 + $15,978.55
Line (2)	=	§7.2 Line (1) × Administrative Cost Limit
$195,087.99	=	$551,407.54 × 35.38%
Line (3)	=	§7.1 Total Direct Administrative
Line (4)	=	§5.3 Total Indirect Costs − §5.1 Line (7) − §5.2 Line (9) − §5.2 Line (10) − §5.2 Line (11)
$10,000	=	$10,000 - $0 - $0 - $0 - $0

INDIANA DEPARTMENT OF CHILD SERVICES

§7.2 Administrative Cost Allocation Walk Through

Line (5)	=	§7.1 Line (3) + §7.1 Line (4)
$221,098.69	=	$211,098.69 + $10,000
Line (6)	=	§3.4 Time Study Administrative Total
Line (7)	=	§7.1 Line (5) – §7.1 Line (6)
$205,120.14	=	$221,098.69 - $15,978.54
Line (8)	=	Lesser of §7.2 Line (2) and §7.2 Line (7)
Line (9)	=	§7.2 Line (8) + §3.4 Time Study Administrative Total
$211,066.53	=	$195,087.99 + $15,978.54
Administrative Cost Disallowance	=	§7.2 Line (7) – §7.2 Line (9)
$5,946.39	=	$205,120.14 - $211,066.53

Important Reminders

RTSP:

- Only programs of similar type can be included on one report (License Type, Program Service Category, and Cost Structure)
- If multiple programs are grouped on one report, each of these programs will have the same generated payment rate.

Both RTSP & CPA:

- Manually enter all data.
- Enter real numbers into the cost report. Formulas cannot be entered.
- Duplicate positions cannot be identified in §3.1 Salaries and Wages and/or §3.3 Contracted Services.
- Round all FTEs to four (4) decimal places.
- Attachments (including Licenses, program descriptions, Financial Audits, etc.) can be uploaded to the cost report in I-Rate, rather than mailing hard copies

Important Reminders

- Do not allocate staff to multiple cost line entries
- Include all costs of the identified program(s) on the cost report
- If submitting a budgeted report, make sure information is pro-rated out to a full year's worth of data
- Check cost report for accuracy
- If a report is incomplete upon submission, the report will be sent back for correction.
- Excel cost template is only to aide in completing the cost report. DO NOT SUBMIT COST REPORT ON EXCEL TEMPLATE
- Cost Reports are due **March 31, 2015**.

Cost Report Contact Info

Website

http://www.in.gov/dcs/2907.htm

DCS Rate Setting Email

DCSRateSetting@dcs.in.gov

Mailing Address

Indiana Department of Child Services

Attn: Rate Setting Unit

402 W. Washington St., Room W392, MS-50

Indianapolis, IN 46204

DCS Rate Setting Unit…

Staff	Email	Telephone
Todd Fandrei	Todd.Fandrei@dcs.in.gov	(317) 234-5976
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Bob Nicholson	Robert.Nicholson@dcs.in.gov	(317) 233-2282
Margaret Palicka	Margaret.Palicka@dcs.in.gov	(317) 234-6915
Corey Burns	Corey.Burns@dcs.in.gov	(317) 234-5005