



# 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](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”



# 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](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](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>



# Cost Report Process

<b><u>Phase 1: Planning and Completion</u></b>	
Public Hearing	January
Training	February – March
Preparation	Ongoing
Cost Report Completion	February – March
<b><u>Phase 2: Audits</u></b>	
Desk Audits	April – July
Rate Distribution	Late Summer
Field Audits	June – December (ongoing)
<b><u>Phase 3: Rate Reviews</u></b>	
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** =  $[(\{\$3.1 + \$3.3 \text{ Time Study FTEs}\} \div 4.2) \times \text{Staffing Ratio}] \times 365$

• **CPA Utilization** =  $[(\$3.1 + \$3.3 \text{ Time Study FTEs}) \times \text{Caseload Ratio}] \times 365$



# 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?**

Administrative	Maintenance	Time Study	Non IV-E (IL / Rec.)	Behavioral Health	Medical	Education	Unallowable
Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %
<b>A</b>	<b>B</b>	<b>C</b>	<b>B</b>	<b>D</b>	<b>B</b>	<b>B</b>	<b>D</b>

- 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

Administrative		Maintenance		Case Management		Non IV-E (IL / Rec.)		Behavioral Health		Medical		Education		Unallowable	
Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%	Cost	%
<b>A</b>		<b>B</b>		<b>B</b>		<b>B</b>		<b>D</b>		<b>B</b>		<b>B</b>		<b>D</b>	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**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?

Administrative	Adoption	Time Study	Non IV-E (IL / Rec.)	Behavioral Health	Medical	Education	Unallowable
Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %	Cost FTE %
<b>A</b>	<b>D</b>	<b>C</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>

- 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?

Administrative	Adoption	Case Management	Non IV-E (IL / Rec.)	Behavioral Health	Medical	Education	Unallowable
Cost %	Cost %	Cost %	Cost %	Cost %	Cost %	Cost %	Cost %
<b>A</b>	<b>D</b>	<b>B</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>	<b>D</b>

**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 IAC 2-17-28 (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

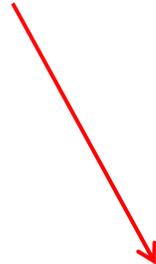
A screenshot of the KidTraks system interface. The top navigation bar includes "Training Environment", "Welcome Corey Greenya", "Change Vendor", and "Log Out". Below this is a search bar and a navigation menu with "Vendor Profile", "Account Profile", and "Messages". The "Vendor Profile" link is circled in red, with a red arrow pointing to it from the text above. The main content area shows "Account Home - IRATE, INC" and a "Welcome to the KidTraks System" message. There are tabs for "Recent Activity" and "Billing Codes", and a "No Recent Activity" message. A "Quick Links" section contains "Download Billing Codes to Excel", "Contact Us", and "DCS Home Page". A "Provider Rate Listing" link is also visible.



# 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



### Vendor Profile

Profile | Contact | E-Invoicing | Subscriptions

Preferences

Receive Warrant Summary Notifications Electronically  
(When you sign up to receive electronic notifications of warrant summaries, you will no longer receive paper summaries by mail.)

Submit

Referral Notifications

Centralized Referral MailBox:

LCPA MailBox:

Residential MailBox:

Update

Authorized Users

Add New User

Name	Email Address	Disabled	Admin	Role
Corey Greenya	cgreenya@gmail.com	N	Y	fiscal user
Bob Nicholson	rnicholson01@comcast.net	N	N	fiscal user
Corey Burns	corburns112@gmail.com	N	N	fiscal user



# 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

**Add/Edit User**

First Name:\* Corey

Last Name:\* Greenya

Email:\* cgreenya@gmail.com

Disabled:

Role: fiscal user

I-Rate: Create / Modify

Submit Cancel



# I-Rate Cost Report Tutorial

## Viewing your Agency's Licenses and Programs

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

The screenshot shows the KidTraks web application interface. At the top, there is a header with the KidTraks logo (part of the MaGIK family) on the left and user information on the right: "Training Environment | Welcome Corey Greenya | [Change Vendor](#) | [Log Out](#)". Below the header is a navigation bar with links for "Account Home", "Invoices", "Payments", "Contracts", "Referrals", "Cases", and "Help". A dropdown menu is open under "Contracts", with "Licenses and Programs" circled in red. A red arrow points from the text above to this menu item. Below the navigation bar, there is a main content area with a green banner containing a message about invoice submissions. On the left side, there are sections for "Announcements" (0 announcements) and "Quick Links" (Download Billing Codes to Excel, Contact Us, DCS Home Page). On the right side, there is a "Welcome to the KidTraks System" section with tabs for "Recent Activity" and "Billing Codes", and a message "No Recent Activity".



# I-Rate Cost Report Tutorial

## Viewing your Agency's Licenses and Programs

- Account Home
- Invoices
- Payments
- Contracts ▾
- Referrals ▾
- Cases ▾
- Help

### Licenses

License Number	License Type	Start Date	Expiration Date	Licensing Agency	Closed Date	Resource ID	
39999	Child Caring Institution	01/01/2013		DCS		9999999999	
<b>Program Name</b>		<b>Program Service Category</b>		<b>Closed Date</b>	<b>GuideBook Information</b>	<b>Critical Latest Occupancy</b>	<b>Latest Occupancy</b>
IRATE (Open Residential)		Open Residential			<a href="#">Edit</a>		
IRATE (D&A)		Drug and Alcohol			<a href="#">Edit</a>		
57777	Child Placing Agency	01/01/2012		DCS		9999999999	
<b>Program Name</b>		<b>Program Service Category</b>		<b>Closed Date</b>	<b>GuideBook Information</b>	<b>Critical Latest Occupancy</b>	<b>Latest Occupancy</b>
Foster Care (Age 0-4)		Foster Care (Age 0-4)					
Foster Care with Services (Age 0-4)		Foster Care with Services (Age 0-4)					
Therapeutic (Age 0-4)		Therapeutic (Age 0-4)					
Therapeutic Plus (Age 0-4)		Therapeutic Plus (Age 0-4)					
Foster Care (Age 5-13)		Foster Care (Age 5-13)					



# I-Rate Cost Report Tutorial

## Accessing the I-Rate module of KidTraks

Click "Contracts" and then select "I-Rate"

A screenshot of the KidTraks web application interface. The top navigation bar is blue and contains the following items: Account Home, Invoices, Payments, Contracts (with a dropdown arrow), Referrals (with a dropdown arrow), Cases (with a dropdown arrow), and Help. The "Contracts" dropdown menu is open, showing four options: Contracted Services, Licenses and Programs, Contracting Opportunities, and I-Rate. The "I-Rate" option is circled in red. A red arrow points from the text "Click 'Contracts' and then select 'I-Rate'" to the "I-Rate" option. The main content area shows "Account Home - IRATE, IN" and a green banner with a message about invoice submissions. On the left, there are sections for "Announcements" (0 announcements) and "Quick Links" (Download Billing Codes to Excel, Contact Us, DCS Home Page). On the right, there is a "Welcome to the KidTraks System" section with tabs for "Recent Activity" and "Billing Codes", and a message "No Recent Activity".



# I-Rate Cost Report Tutorial

## Cost Allocations Tab

- NEW feature this year
- Click "Cost Allocations" to access this area

Account Home Invoices Payments Contracts ▾ Referrals ▾ Cases ▾ Help

Cost Reports

Cost Allocations

Add Cost Report

Group ID	Status	Revenue Tier			
10001099	Open	Tier 1			
2016 Calendar Year Rates					
Cost Report ID	Cost Calendar Year	License Type	Program Service Category	Version Status	Augmented Rate
> 10004258	2014	Child Placing Agency	CPA	Open	-
> 10004259	2014	Group Home	Sexually Maladaptive Youth	Open	-
> 10004260	2014	Child Caring Institution	Open Residential	Open	-
> 10004261	2014	Private Secure	Secure Treatment	Open	-



# I-Rate Cost Report Tutorial

## Cost Allocations Tab

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

Account Home Invoices Payments Contracts ▾ Referrals ▾ Cases ▾ Help

Cost Reports Cost Allocations

Cost Allocations Add Cost Allocation

[-] [+]

Cost Report Group		2016 Calendar Year Rates								Status	Revenue Tier	
<input type="checkbox"/>	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.

State of Indiana (US) | https://magik.trng.dcs.in.gov/Financials/iRate/Edit/IFrame.aspx?ControlParam

### Cost Allocation

Cost Report Group\*: 10001099

Name\*: "Cost Allocation Name"

CPA:

Administrative\*: 5.00%

Maintenance\*: 35.00%

Case Management\*: 15.00%

Non IV-E\*: 5.00%

Behavioral Health\*: 10.00%

Medical\*: 15.00%

Education\*: 10.00%

Unallowable\*: 0.00%

Total: 95.00% **Total must be 100%**

Comments: Type in a brief description of this methodology.

Buttons: Cancel, Save

Cost Allocation	CPA	Admi
Square Footage	No	
Handsets	Yes	
Travel Logs	No	
"Cost Allocation Name"	No	

Revenue Tier

This methodology is based on number of telephone handsets used by staff.

This methodology is based on travel logs maintained by staff.

Type in a brief description of this methodology.



# I-Rate Cost Report Tutorial

## Cost Allocations Tab

Cost Allocation

Cost Report Group\*: 10001099

Name\*: Square Footage

CPA:

Administrative\*: 10.50%

Maintenance\*: 68.50%

Case Management\*: 2.00%

Non IV-E\*: 0.00%

Behavioral Health\*: 11.50%

Medical\*: 0.00%

Education\*: 7.50%

Unallowable\*: 0.00%

Total: 100.00%

Comments:

Amounts cannot be changed. This allocation is used on 2 report(s). The reports are: 10004259 10004261

Cancel Save

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

Account Home Invoices Payments Contracts ▾ Referrals ▾ Cases ▾ Help

Cost Reports

Cost Allocations

Add Cost Report

Group ID	Status	Revenue Tier			
10001099	Open	Tier 1			
2016 Calendar Year Rates					
Cost Report ID	Cost Calendar Year	License Type	Program Service Category	Version Status	Augmented Rate
> 10004258	2014	Child Placing Agency	CPA	Open	-
> 10004259	2014	Group Home	Sexually Maladaptive Youth	Open	-
> 10004260	2014	Child Caring Institution	Open Residential	Open	-
> 10004261	2014	Private Secure	Secure Treatment	Open	-



# I-Rate Cost Report Tutorial

## Adding a cost report

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

Account Home Invoices Payments Contracts ▾ Referrals ▾ Cases ▾ Help

Cost Reports

Cost Allocations

Click "Add Cost Report"

Add Cost Report

Group ID	Status	Revenue Tier			
10001099	Open	Tier 1			
2016 Calendar Year Rates					
Cost Report ID	Cost Calendar Year	License Type	Program Service Category	Version Status	Augmented Rate
> 10004258	2014	Child Placing Agency	CPA	Open	-
> 10004259	2014	Group Home	Sexually Maladaptive Youth	Open	-
> 10004260	2014	Child Caring Institution	Open Residential	Open	-
> 10004261	2014	Private Secure	Secure Treatment	Open	-



# 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

A screenshot of a web browser window showing the "I-Rate" system. The browser is Mozilla Firefox, and the address bar shows the URL: https://magik.trng.dcs.in.gov/Financials/iRate/Edit/IFrame.aspx?ControlParameterValue=VendorC. The page displays a form for adding a cost report. The form fields are: Cost Report Group: 10001099, License Type: Child Caring Institution, Program Service Category: Drug and Alcohol, Cost Calendar Year: 2014, and Rate Calendar Year: 2016. There is a "Notes" field and "Submit" and "Cancel" buttons. The background shows a navigation menu with "Account Home", "Invoices", "Payments", "Contracts", "Referrals", "Cases", and "Help". A sidebar on the left shows a tree view of "Group ID" with "10001099" selected, and a list of "Cost Report ID" values: 10004258, 10004259, 10004260, and 10004261. A "Copyright ©" notice is visible at the bottom left, and a "SIGN OUT" link is at the bottom right.



# 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.

iRate - Cost Report Information Action:

Vendor: <a href="#">IRATE, INC</a>	Cost Calendar Year: 2014	
Report ID: 10004266	Rate Year: 2016	Budget Report <input type="checkbox"/>
Version Number: 1	Vendor Cost Report Status: Open	Administrative Review <input type="checkbox"/>
License Type: Child Caring Institution	Desk Audit Status: Not Started	Administrative Appeal <input type="checkbox"/>
Program Service Category: Drug and Alcohol	Version Status: Open	Field Audit <input type="checkbox"/>
Vendor Create User: Corey Greenya (cgreenya@gmail.com)	Rate Status: Not active	
Desk Auditor:		
Reported Fringe and Tax: <input type="text" value="00.00%"/>	Reported Staff Ratio: <input type="text" value="0.0000"/>	Reported Capacity: <input type="text" value="00.00%"/>
Reported Administrative: <input type="text" value="00.00%"/>		

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

**§1.1 Programs** Add Program

Program	Rate List ID	Days of Operation	Utilization	Program Share of Licensed Bed Capacity	Indiana Based	County	Region
No records to display.							

*If RTSP, the first step is to attach a program to the cost report*



# 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

iRate - Cost Report Information Action:

Vendor: IRATE, INC Cost Calendar Year: 2014

Report ID: 10004266

Version Number: 1

License Type: Child Caring In  Budget Report

Program Service Category:  Administrative Review

Vendor Create User: Corey G  Administrative Appeal

Desk Auditor:  Field Audit

Reported Fringe and Tax:

**Programs**

**§1.1 Programs**

Program	Rate Li
No records to display.	

Mozilla Firefox x

State of Indiana (US) <https://magik.trng.dcs.in.gov/Financials/iRate/Edit/IFrame.aspx?ControlParameterValue> ☆

### 1.1 Programs

Program:\*  ▾

Days Of Operation:\*

Utilization:\*

Bed Capacity:\*

Notes:



# 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

iRate - Cost Report Information Action:

Vendor: <a href="#">IRATE, INC</a>	Cost Calendar Year: 2014	
Report ID: 10004266	Rate Year: 2016	Budget Report <input type="checkbox"/>
Version Number: 1	Vendor Cost Report Status: Open	Administrative Review <input type="checkbox"/>
License Type: Child Caring Institution	Desk Audit Status: Not Started	Administrative Appeal <input type="checkbox"/>
Program Service Category: Drug and Alcohol	Version Status: Open	Field Audit <input type="checkbox"/>
Vendor Create User: Corey Greenya (cgreenya@gmail.com)	Rate Status: Not active	
Desk Auditor:		

Reported Fringe and Tax:  Reported Staff Ratio:  Reported Capacity:  Reported Administrative:

**§3.1 Salary and Wages**

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	%	
No records to display.																											

Click "Add" or "Import" to input employee personnel costs





# I-Rate Cost Report Tutorial

## Adding a single position's cost and FTE

lks family

3.1 Salary & Wages

Position\*:

	Cost	FTE	Salary	Hourly Wage
Administrative*:	<input type="text" value="\$0.00"/>	<input type="text" value="0.0000"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Maintenance*:	<input type="text" value="\$0.00"/>	<input type="text" value="0.0000"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Time Study*:	<input type="text" value="\$150,000.00"/>	<input type="text" value="5.0000"/>	<input type="text" value="\$30,000.00"/>	<input type="text" value="\$14.42"/>
Non IV-E*:	<input type="text" value="\$0.00"/>	<input type="text" value="0.0000"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Behavioral Health*:	<input type="text" value="\$0.00"/>	<input type="text" value="0.0000"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Medical*:	<input type="text" value="\$0.00"/>	<input type="text" value="0.0000"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Education*:	<input type="text" value="\$0.00"/>	<input type="text" value="0.0000"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
Unallowable*:	<input type="text" value="\$0.00"/>	<input type="text" value="0.0000"/>	<input type="text" value="\$0.00"/>	<input type="text" value="\$0.00"/>
<b>Total:</b>	<input type="text" value="\$150,000.00"/>	<input type="text" value="5.0000"/>	<input type="text" value="\$30,000.00"/>	<input type="text" value="\$14.42"/>

Comments:

Cancel Save







# I-Rate Cost Report Tutorial

## Adding Fringe Benefits & Payroll Taxes

License Ty  
Program S  
Vendor Cre  
Desk Audit  
Reported I

Program  
Salary a

**\$3.2 Fr**

Reported Administrativ  
Issues

% of \$3.1

1	S			7.56 %
2	W			-
3	U			0.49 %
4	Retirement	\$14,250.00		2.81 %
5	Health, Dental, Vision, etc.	\$95,000.00		18.77 %
6	Life Insurance	-		-
7	Disability Insurance	-		-
8	Other Fringe Benefits & Payroll Taxes	-		-
		<b>\$150,000.00</b>		<b>29.63 %</b>

Mozilla Firefox

State of Indiana (US) | https://magik.trng.dcs.in.gov/Financials/iRate/Edit/IFrame.aspx?ControlParam

### 3.2 Fringe Benefits and Payroll Taxes

Cost Type:

Total\*:

Comments:

Cancel Save



# I-Rate Cost Report Tutorial

## Adding Program Costs

Financials | Peoplesoft - Timesheet | Peoplesoft - HR | C

Program Service Category: Sexually Maladaptive Youth  
 Vendor Create User: Corey Burns (corburns112@gmail.com)  
 Desk Auditor:

Reported Fringe and Tax: 36.00% | Reported Staff Rate

Programs | Personnel Costs | Program

Child/Resident | Operating | Occupancy | Tra

### §4.3 Occupancy

	Cost Type	Allocation
1	Depreciation (Building & Grounds)	Square Footage
2	Depreciation (Equipment)	Direct
3	Rent	
4	Mortgage Interest	
5	Property Taxes	\$3.1 FTE
6	Property Insurance	\$3.1 Cost
7	Utilities	\$3.1 + \$3.3 FTE
8	Telephone	\$3.1 + \$3.3 Cost
9	Maint. & Repair (Building & Grounds)	Square Footage
10	Maintenance & Repair (Equipment)	Travel Logs
11	Small Equipment Purchase	
12	Leased and Rented Equipment	
13	Other Occupancy	

4.3 Occupancy

Cost Type: Depreciation (Building & Grounds)

Cost Allocation: Square Footage

Administrative\*: \$10,762.50  
 Maintenance\*: \$70,212.50  
 Case Management\*: \$2,050.00  
 Non IVE\*: \$0.00  
 Behavioral Health\*: \$11,787.50  
 Medical\*: \$0.00  
 Education\*: \$7,687.50  
 Unallowable\*: \$0.00  
**Total: \$102,500.00**

Comments:

Cancel Save

\$243,730.02 \$37,026.48 15% \$149,900.92 62% \$4,904.69 2% - - \$21,994.98



# I-Rate Cost Report Tutorial

## Adding Indirect Administrative Costs

Reported Fringe and Tax: 36.00%    Reported Staff Ratio: 2.3732    Reported Capacity: 87.67%    Reported Administrative: 38.91%

Programs    Personnel Costs    Program Costs    Indirect Costs    Revenue    Issues    Events

Personnel    Operating

### §5.1 Personnel

	Position
1	Senior Management
2	General Administrative
3	Human Resources
4	Finance
5	Facilities Management
6	Management Information Sys
7	Fundraising / Development
8	Other Indirect Personnel

Mozilla Firefox

State of Indiana (US) <https://magik.trng.dcs.in.gov/Financials/iRate/Edit/IFrame.aspx?ControlParameterValue=C>

### 5.1 Indirect Personnel

Position: Senior Management

	Cost	FTE	Salary	Hourly Wage
Total*	\$0.00	0.0000	\$0.00	\$0.00

Comments

Cancel    Save



# I-Rate Cost Report Tutorial

## Adding Indirect Administrative Costs

Reported Fringe and Tax:  Reported Staff Ratio:  Reported Capacity:  Reported Administrative:

Programs Personnel Costs Program Costs Indirect Costs Revenue Issues Even

Personnel Operating Summary

**\$5.2 Operating**

	Position
1	Food/Household Supplies
2	Office Supplies
3	Fees, Dues, & Subscriptions
4	Accident Insurance
5	Advertising
6	Printing/Postage/Shredding
7	Conference & Training
8	Employee Medical Exams
9	Employee Recruitment
10	Bad Debt

Mozilla Firefox

State of Indiana (US) <https://magik.trng.dcs.in.gov/Financials/iRate/Edit/IFrame.aspx?ControlParan>

**5.2 Indirect Operating**

Cost Type:

Total\*:

Comments:

Cancel Save



# I-Rate Cost Report Tutorial

## Adding Revenue

License Type: Group Home  
 Program Service Category: Sexually Malad...  
 Vendor Create User: Corey Burns (corburns...  
 Desk Auditor:  
 Reported Fringe and Tax: 36.00%

Programs Personnel Costs  
 Direct Indirect Summary

**\$6.1 Direct Program**

Revenue Type	
1	Indiana DCS
2	Indiana DOC
3	Indiana DOE
4	Indiana FSSA
5	Private Pay
6	Medicaid
7	USDA National School Lunch Program
8	Donations
9	Fundraising
10	Other Direct Program Revenue

Mozilla Firefox  
 State of Indiana (US) https://magik.trng.dcs.in.gov/Financials/iRate/Edit/IFrame.aspx?ControlParam

### 6.1 Direct Program Revenue

Revenue Type: **Indiana DCS**

Per Diem Payments\*: \$745,100.00  
 Administrative\*: \$0.00  
 Maintenance\*: \$0.00  
 Behavioral Health\*: \$0.00  
 Medical\*: \$0.00  
 Education\*: \$0.00  
 Donations/Fundraising\*: \$0.00  
 Other\*: \$0.00  
**Total: \$745,100.00**

Comments:

Cancel Save

Administrative Appeal   
 Field Audit

8.91%

Attachments

Medical		Education		Donations & Fundraising	
Cost	%	Cost	%	Cost	%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	\$248,599.00	100 %
-	-	-	-	\$143.00	100 %
-	-	-	-	-	-
-	-	-	-	\$248,742.00	24 %



# I-Rate Cost Report Tutorial

## Attachments can be added

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

The screenshot shows the I-Rate Cost Report system interface. A dialog box titled "Attachment Upload -- Webpage Dialog" is open, displaying the "Attachment Upload" form. The form has a blue header and contains the following fields:

- Filename:** C:\Users\CGreenya\Desktop (with a "Browse..." button)
- Description:** . (with a text input field)
- Buttons:** Submit and Cancel

The background interface shows the "iRate - Cost Report Information" section with the following details:

- Vendor: [I-RATE, INC.](#)
- Report ID: 10003956
- Version Number: 1
- License Type: Child Caring Institution
- Program Service Category: Open Residential
- Vendor Create User: Corey Greenya (cgreenya@...)
- Desk Auditor: Greenya, Corey

Below the information is a navigation bar with "Programs" and "Personnel Costs" tabs. The "Attachments" section is highlighted in yellow, and an "Add" button is visible. At the bottom, a table lists existing attachments:

Attachment	Created By	Create Date
<a href="#">FTE Allocation.xlsx</a>	cgreenya@gmail.com	02/04/2014



# I-Rate Cost Report Tutorial

## “Action” drop down list

- Submit Cost Report
- Print Cost Report

The screenshot shows the I-Rate Cost Report interface. At the top, there is a navigation bar with links for [Vendor Profile](#), [Account Profile](#), and [Messages](#), along with a search box. Below this is a menu with options: [Account Home](#), [Invoices](#), [Payments](#), [Contracts](#), [Referrals](#), [Cases](#), and [Help](#). The main content area is titled "iRate - Cost Report Information" and displays various details for a report from IRATE, INC. An "Action:" dropdown menu is open, showing options: "Print Cost Report", "Print Issues Report", and "Submit To DCS". A red arrow points from the text "Print Cost Report" in the list above to the "Print Cost Report" option in the dropdown menu. At the bottom, there is a yellow bar with the text "\$1.1 Programs" and an "Add Program" button.

Training Environment | Welcome Corey Greenya | [Change Vendor](#) | [Log Out](#)

[Vendor Profile](#) [Account Profile](#) [Messages](#) Search

Account Home Invoices Payments Contracts Referrals Cases Help

iRate - Cost Report Information

Vendor: [IRATE, INC](#) Cost Calendar Year: 2014

Report ID: 10004260 Rate Year: 2016

Version Number: 1 Vendor Cost Report Status: Open

License Type: Child Caring Institution Desk Audit Status: Not Started

Program Service Category: Open Residential Version Status: Open

Vendor Create User: Bob Nicholson (rnicholson01@comcast.net) Rate Status: Not active

Desk Auditor:

Reported Fringe and Tax: 31.16% Reported Staff Ratio: 4.1416 Reported Capacity: 76.03% Reported Administrative: 30.74%

Programs Personnel Costs Program Costs Indirect Costs Revenue Issues Events Attachments

**\$1.1 Programs** Add Program



# I-Rate Cost Report Tutorial

## Issues / Questions posed by the Desk Auditor

Report ID: 10004258

Version Number: 1

License Type: Child Placing Agency

Program Service Category: CPA

Vendor Create User: Corey Greenya (cgreenya@gmail.com)

Desk Auditor: Nicholson,Robert A

Rate Year: 2016

Vendor Cost Report Status: S

Desk Audit Status: Started

Version Status: Open

Rate Status: Not active

	1		1	Administrative Assistant	\$30	<input type="checkbox"/>
	0		2	Case Manager	\$190	<input type="checkbox"/>
	0		3	Executive Director	\$46	<input type="checkbox"/>
	1		4	Licensing Coordinator	\$78	<input type="checkbox"/>
	0		5	Program Director	\$96	<input type="checkbox"/>

Locations: 1

Reported Fringe and Tax: 16.74%    Reported Case Load Ratio: 9.4754    Reported Capacity: N/A    Reported Administrative: 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	Licensing Coordinator	Salary And Wages	4	Allocation	Open	Nicholson,Robert A	02/11/2015
	1002868	Administrative Assistant	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](mailto:Robert.Nicholson@dcs.IN.gov).

Issue ID	Issue Name	Section	Line Number	Issue Description	Created By	Date
1002867	Licencing 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
				Why was 100% of this cost allocated to		



# I-Rate Cost Report Tutorial

## Responding to Issues / Questions posed by the Desk Auditor

MaGIK | KidTraks

Search [ ] Training Environment | Greenya, Corey | S

Accounts Payable

iRate - Cost Report Information

Vendor: IRATE, INC

Report ID: 10004258

Version Number: 1

License Type: Child Placing Agency

Program Service Category: CP

Vendor Create User: Corey Greenya

Desk Auditor: Greenya, Corey

Programs | Adjustments | Salary and Wages | Fringe

0 \$3.1 Salary and

Position

1 1 Administr

Status: Resolved

Name: Administrative Assisstant

Category: Amount

Description: 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.

Created By: Nicholson, Robert A

Create Date: 2/11/2015

Add New Comment

	Comment ID	Comment	Created By	Date
<input checked="" type="checkbox"/>	2004552	This position is only compensated \$26,933 on average annually.	Corey Greenya	02/11/2015
<input checked="" type="checkbox"/>	2004554	What is the correct total cost that should be identified for this position on the cost report?	Nicholson, Robert A	02/11/2015
<input checked="" type="checkbox"/>	2004555	\$30,300 is the correct amount. This includes multiple individuals with this job title.	Corey Greenya	02/12/2015
<input checked="" type="checkbox"/>	2004556	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	02/12/2015

Thursday, February 12

2.73

Events | Attachmen

Non IV-E (IL / Rec.) | Behav Hea

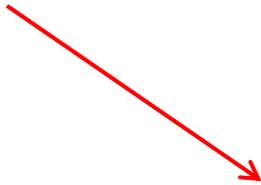
Cost | FTE | % | Cost | F

- | - | - | - | -



# I-Rate Cost Report Tutorial

- Notify DCS of Issue Responses
- Print Issues Report



iRate - Cost Report Information

Vendor: IRATE, INC  
Report ID: 10004258  
Version Number: 1  
License Type: Child Placing Agency  
Program Service Category: CPA  
Vendor Create User: Corey Greenya (cgreenya@gmail.com)  
Desk Auditor: Greenya, Corey

Cost Calendar Year: 2014  
Rate Year: 2016  
Vendor Cost Report Status: Submitted  
Desk Audit Status: Started  
Version Status: Open  
Rate Status: Not active

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

Problems: 0

**§3.1 Salary and Wages**    Add    Import

		Position	Total		Administrative			Adoption			Time Study	
			Cost	FTE	Cost	FTE	%	Cost	FTE	%	Cost	FTE
1	X	1 Administrative Assistant	\$30,300.00	0.1125	\$30,300.00	0.1125	100 %	-	-	-	-	-
0	X	2 Case Manager	\$190,635.00	6.1533	-	-	-	-	-	-	\$190,635.00	6.1533



# 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	Category	Status	Created By	Date
1002867	Licensing 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				
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				
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

iRate - Cost Report Information Action:

<b>Vendor:</b> IRATE, INC	<b>Cost Calendar Year:</b> 2014	<input type="checkbox"/>
<b>Report ID:</b> 10004258	<b>Rate Year:</b> 2016	<b>Budget Report</b>
<b>Version Number:</b> 1	<b>Vendor Cost Report Status:</b> Submitted	<input type="checkbox"/>
<b>License Type:</b> Child Placing Agency	<b>Desk Audit Status:</b> Started	<b>Administrative Review</b>
<b>Program Service Category:</b> CPA	<b>Version Status:</b> Open	<input type="checkbox"/>
<b>Vendor Create User:</b> Corey Greenya (cgreenya@gmail.com)	<b>Rate Status:</b> Not active	<b>Administrative Appeal</b>
<b>Desk Auditor:</b> Greenya, Corey		<input type="checkbox"/>
<b>Reported Fringe and Tax:</b> <input type="text" value="16.74%"/>	<b>Reported Case Load Ratio:</b> <input type="text" value="9.4754"/>	<b>Field Audit</b>
<b>Reported Capacity:</b> <input type="text" value="N/A"/>	<b>Reported Administrative:</b> <input type="text" value="56.54%"/>	<input type="checkbox"/>
		<b>Locations:</b> <input type="text" value="1"/> <input type="button" value="v"/>

**Events**

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

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

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

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

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



# Fringe and Tax Cost Limit Disallowance

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

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

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

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



# Staffing/Case Load Ratio Cost Limit Disallowance

$$\frac{\left( \frac{\text{Reported Utilization}}{\text{Days of Operation}} \right)}{\left\{ \frac{(\$3.1 + \$3.3 \text{ Time Study FTEs})}{\# \text{ of 40 hour shifts per week}} \right\}} = \text{Staffing \ Case Load Ratio Reported}$$

RTSP  
Only

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

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

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

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

	<b>Vendor:</b> IRATE, INC <b>License Type:</b> Child Caring Institution <b>Program Service Category:</b> Open Residential	<b>I-Rate Cost Report ID:</b> 10004260 <b>Version Number:</b> 1 <b>Year:</b> 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	-	-	-	-	-	-	-	-	-
<b>(3) T/S Salaries and Wages Subtotal</b>	<b>\$295,000.00</b>	<b>\$14,278.00</b>	<b>\$258,803.50</b>	<b>\$9,587.50</b>	<b>\$3,245.00</b>	<b>\$5,369.00</b>	-	<b>\$3,569.50</b>	<b>\$147.50</b>
(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)
<b>(5) T/S Salaries and Wages Total</b>	<b>\$235,115.00</b>	<b>\$11,379.57</b>	<b>\$206,266.39</b>	<b>\$7,641.24</b>	<b>\$2,586.27</b>	<b>\$4,279.09</b>	-	<b>\$2,844.89</b>	<b>\$117.56</b>
(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)
<b>(8) T/S Fringe Benefits and Payroll Taxes Subtotal</b>	<b>\$84,222.44</b>	<b>\$4,076.37</b>	<b>\$73,888.35</b>	<b>\$2,737.23</b>	<b>\$926.45</b>	<b>\$1,532.85</b>	-	<b>\$1,019.09</b>	<b>\$42.11</b>
(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)
<b>(10) T/S Fringe Benefits and Payroll Taxes Total</b>	<b>\$67,125.29</b>	<b>\$3,248.86</b>	<b>\$58,889.01</b>	<b>\$2,181.57</b>	<b>\$738.38</b>	<b>\$1,221.68</b>	-	<b>\$812.22</b>	<b>\$33.56</b>
(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	-	-	-	-	-	-	-	-	-
<b>(13) T/S Contracted Services Subtotal</b>	<b>\$35,000.00</b>	<b>\$1,694.00</b>	<b>\$30,705.50</b>	<b>\$1,137.50</b>	<b>\$385.00</b>	<b>\$637.00</b>	-	<b>\$423.50</b>	<b>\$17.50</b>
(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)
<b>(15) T/S Contracted Services Total</b>	<b>\$27,895.00</b>	<b>\$1,350.12</b>	<b>\$24,472.28</b>	<b>\$906.59</b>	<b>\$306.85</b>	<b>\$507.69</b>	-	<b>\$337.53</b>	<b>\$13.95</b>
<b>Direct Care Staff Time Study Allocation Total</b>	<b>\$330,135.29</b>	<b>\$15,978.55</b>	<b>\$289,627.69</b>	<b>\$10,729.40</b>	<b>\$3,631.49</b>	<b>\$6,008.46</b>	-	<b>\$3,994.64</b>	<b>\$165.07</b>
	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)



# Capacity Cost Limit Disallowance

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

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

$$\text{Capacity Cost Limit} - \text{Capacity Reported} = \% \text{ Disallowance}$$

$$80.00\% - 76.03\% = 3.97\%$$

$$\text{\$4.3 Occupancy Total} \times \% \text{ Disallowance} = \$ \text{ Disallowance}$$

$$\text{\$100,000} \times 3.97\% = \text{\$3,970}$$



# §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)	=	$\begin{matrix} \text{\$7.1 Total Direct} & - & \text{\$7.1 Total Direct} & - & \text{\$7.1 Total Direct} & + & \text{\$3.4 Time Study} \\ \text{Costs Less Excess} & & \text{Administrative} & & \text{Unallowable} & & \text{Administrative Total} \end{matrix}$
\$551,407.54	=	$\$746,692.74 - \$211,098.69 - \$165.07 + \$15,978.55$
<hr/>		
Line (2)	=	$\text{\$7.2 Line (1)} \times \text{Administrative Cost Limit}$
\$195,087.99	=	$\$551,407.54 \times 35.38\%$
<hr/>		
Line (3)	=	$\text{\$7.1 Total Direct Administrative}$
<hr/>		
Line (4)	=	$\begin{matrix} \text{\$5.3 Total} & - & \text{\$5.1} & - & \text{\$5.2} & - & \text{\$5.2} & - & \text{\$5.2} \\ \text{Indirect Costs} & & \text{Line (7)} & & \text{Line (9)} & & \text{Line (10)} & & \text{Line (11)} \end{matrix}$
\$10,000	=	$\$10,000 - \$0 - \$0 - \$0 - \$0$



## §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 aid 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](mailto: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
Corey Greenya	Corey.Greenya@dcs.in.gov	(317) 234-7327
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