

The Ohio Department of Developmental Disabilities

GUIDE TO PREPARING COST REPORT FOR COUNCIL OF GOVERNMENT

to be used starting January 1, 2018

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General Information

System of Entry

County boards will enter all information using the County Boards Cost Reports (CBCR) online application, accessible via the DODD website. To request access to CBCR, please email report-coordinator@list.dodd.ohio.gov for instructions.

Basis of Accounting

Expenditures and revenues must be reported on a cash basis by the council of government from January 1 through December 31.

Council of Government Activity

Council of government (COG) activity that must be included in a county board's cost report includes

- Costs incurred by a COG on behalf of a county board
- Units of service delivery performed by a COG on behalf of a county board
- Revenue received directly by a COG (not coming directly from a county board) on behalf of a county board

This reporting requirement provides structure using the cost report to accumulate all costs associated with an activity to ensure more accurate accounting for reconciliation of Title XX funding.

Direct assignment and statistical allocation are the two methods to be used when completing the cost report. While direct assignment is the preferred method to report costs, not all costs can be directly assigned. For more details, see "Allocation of Cost" below.

Any units of service delivery performed by the council of government on behalf of the county board, if applicable, must also be included in the statistical information in the county board's cost report. If units are reported, there must be associated costs.

Revenue received directly by a council of government (not coming from the county board) on behalf of the county board must also be included in the county board's cost report.

COGs should be familiar with and use the county board *Guide to Preparing the Cost Report* as a reference tool when preparing the associated county board summary forms to ensure that the COG and county board costs are reported on the appropriate worksheet in the county board's cost report.

Allowable and Reasonable Costs

In order to be allowable costs, costs must meet the criteria of [2 CFR Ch. II Part 200 Subpart E – Cost Principles](#) (herein referred to as Uniform Guidance) and the [Provider Reimbursement Manual, CMS Publication 15-1](#).

Uniform Guidance

The most significant section of the allowable cost requirement is the “reasonable cost” criteria. [§200.404](#) of the Uniform Guidance below outlines this criteria:

“A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to

- a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-federal entity or the proper and efficient performance of the Federal award.
- b) The restraints or requirements imposed by such factors as: sound business practices; arm’s-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- c) **Market prices for comparable goods or services** for the geographic area.
- d) Whether the individuals concerned **acted with prudence** in the circumstances considering their responsibilities to the non-federal entity, its employees, where applicable its students or membership, the **public at large**, and the **Federal Government**.
- e) Whether the non-federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award’s cost.”

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

CMS Publication 15-1

The Provider Reimbursement Manual, [CMS Publication 15-1](#) provides additional clarification of reasonable costs. Chapter 21, [Costs Related to Patient Care](#), states the following:

“2100. PRINCIPLE

All payments to providers of services must be based on the reasonable cost of services covered under title XVIII of the Act and related to the care of beneficiaries or, in the case of acute care hospitals, the prospective payment system (PPS). (See Chapter 28 on PPS.) Reasonable cost includes all necessary and proper costs incurred in rendering the services, subject to principles relating to specific items of revenue and cost.

2102. DEFINITIONS

2102.1 Reasonable Costs.--Reasonable costs of any services are determined in accordance with regulations establishing the method or methods to be used, and the items to be included. Reasonable cost takes into account both direct and indirect costs of providers of services, including normal standby costs. The objective is that under the methods of determining costs, the costs for individuals covered by the program are not borne by others not so covered, and the costs for individuals not so covered are not borne by the program.

Costs may vary from one institution to another because of scope of services, level of care, geographical location, and utilization. It is the intent of the program that providers are reimbursed the actual costs of providing high quality care, regardless of how widely they may vary from provider to provider, except where a particular institution's costs are found to be substantially out of line with other institutions in the same area which are similar in size, scope of services, utilization, and other relevant factors. Utilization, for this purpose, refers not to the provider's occupancy rate but rather to the manner in which the institution is used as determined by the characteristics of the patients treated (i.e., its patient mix - age of patients, type of illness, etc.).

Implicit in the intention that actual costs be paid to the extent they are reasonable is the expectation that the provider seeks to minimize its costs and that its actual costs do not exceed what a prudent and cost conscious buyer pays for a given item or service. (See §2103.) If costs are determined to exceed the level that such buyers incur, in the absence of clear evidence that the higher costs were unavoidable, the excess costs are not reimbursable under the program.

In the event that a provider undergoes bankruptcy proceedings, the program makes payment to the provider based on the reasonable or actual cost of services rendered to Medicare beneficiaries and not on the basis of costs adjusted by bankruptcy arrangements.

2102.2 Costs Related to Patient Care.--These include all necessary and proper costs which are appropriate and helpful in developing and maintaining the operation of patient care facilities and activities. Necessary and proper costs related to patient care are usually costs which are common and accepted occurrences in the field of the provider's activity. They include personnel costs, administrative costs, costs of employee pension plans, normal standby costs, and others. Allowability of costs is subject to the regulations prescribing the treatment of specific items under the Medicare program.

2102.3 Costs Not Related to Patient Care.--Costs **not related** to patient care are costs which are not appropriate or necessary and proper in developing and maintaining the operation of patient care facilities and activities. Costs which are not necessary include costs which usually are not common or accepted occurrences in the field of the provider's activity.

Such costs are not allowable in computing reimbursable costs and include, for example

- Cost of meals sold to visitors;
- Cost of drugs sold to other than patients;
- Cost of operation of a gift shop;

- Cost of alcoholic beverages furnished to employees or to others regardless of how or where furnished, such as cost of alcoholic beverages furnished at a provider picnic or furnished as a fringe benefit;
- Costs of gifts or donation;
- Costs of entertainment, including tickets to sporting and other entertainment events;
- Cost of personal use of motor vehicles;
- Costs of fines or penalties resulting from violations of Federal, State, or local laws;
- Costs of educational expense for spouses or other dependents of provider of services, their employees or contractors, if they are not active employees of the provider or contractor.
- Cost of meals served to executives that exceed the cost of meals served to ordinary employees due to the use of separate executive dining facilities (capital and capital-related costs), duplicative or additional food service staff (chef, waiters/waitresses, etc.), upgraded or gourmet menus, etc.; and
- Cost of travel incurred in connection with non-patient care related purposes.”

Title XIX Program Reasonable Costs

Reasonable costs for county boards will be limited to the lower of the county board’s cost or the cost cap ceiling in most cases. The cost cap ceiling is the higher of 112% of a weighted state-wide average or the rule rate as established in Chapter 5123:2-9 of the Ohio Administrative Code (OAC), except for non-medical transportation services. This ceiling is limited to the established rate per the OAC.

Submission and Certification of Income and Expense Report/Due Date

A county board’s cost report must be submitted to DODD via the CBCR system by August 31, 2018 at 11:59pm. Supporting documentation for each form, including county auditor’s chart of accounts and year-to-date expenditure and revenue reports, should be uploaded into the CBCR system prior to submission. The cost report must be electronically signed by the county superintendent after being thoroughly vetted for accuracy.

Questions

Email report-coordinator@list.dodd.ohio.gov to resolve questions concerning the reporting requirements. You will receive an email response to your inquiry.

Audit and Records Retention Requirements

Cost reports are subject to audit by DODD, the Ohio Department of Medicaid, and the Centers of Medicare & Medicaid Services (CMS) at their discretion. Records and documentation used to prepare the report must be kept on file for a period of six (6) years after final settlement.

Reporting Overview

This reporting methodology and guide has been designed with the following purposes in mind

1. To provide a consistent method to capture, analyze, and publicize annual expenditures and income for each of Ohio's county boards
2. To provide a Medicaid compliant cost-reporting mechanism that will enable DODD to determine Medicaid and non-Medicaid reimbursable cost rates for Medicaid funded services provided by all county boards and their contract agencies

The cost report has been designed to include those programs most common to most county board operations. Some programs and categories of expense specific to a county board may not be represented in the cost report. When this situation occurs, the county board will need to develop supplemental documentation to report these costs and add them to the overall cost report to meet the requirement to report all cost information.

Email report-coordinator@list.dodd.ohio.gov if county board representatives are uncertain of how best to represent these additional costs and/or programs.

Allocation of Cost

Direct assignment and statistical allocation are the two methods to be used when completing the cost report. While direct assignment is the preferred method to report costs, not all costs can be directly assigned.

When multiple, but not all, programs share costs, supplemental documentation must be prepared to allocate the costs to the specific programs involved, prior to completing the cost report.

Example

Three county boards, served by the COG, use Investigative Services (IA). The COG may charge the county per investigation, but on the cost side, the COG may elect to allocate costs based upon percent of total reviews performed or allocated directly to each county. Supporting documentation must be maintained for audit purposes.

All expenditures reported and allocation methodologies used must follow federal guidance requirements related to reasonable and allowable costs. Allocation methodologies must be traceable and consistent.

Documentation Requirements

Report all revenue received and expenditures made by the county board during calendar year 2017, including appropriate depreciation costs for capital expenditures.

In addition to maintaining all documentation to verify revenues and expenses, keep records that clearly trace or allocate all costs from accounting records to the cost report.

To avoid submitting extensive supplemental documentation, organize accounts in a format that facilitates completion of the cost report.

Maintain all records needed to verify statistical information reported and to document compliance with CMS publication 15-1, [42 CFR 92](#), and other state and/or federal regulatory requirements.

Maintain records of any third-party payments received for services billed under Medicaid-funded programs and procurement records if necessary.

Maintain Usual and Customary Rate (UCR) schedules to demonstrate charges for Medicaid-funded services.

Report revenue and expenditures related to services provided by, or on behalf of, the county board that were received or paid (e.g., co-payments).

Step by Step Preparation Instructions

The COG cost report should be prepared in conjunction with the county board cost report because the Allocation Statistics report allocates costs for Capital Costs, Indirect Costs, Program Supervision, and Building Services based on program costs charged to the county boards.

Refer to the county board *Guide to Preparing Cost Report* for a definition of the uses and restrictions of forms, cost centers (or programs), and cost categories (or accounts). The COG must adhere to these definitions when recording and reporting costs in the county board summary forms.

Entry for county board cost allocations

1. Directly allocate payroll, fringe, service contracts, and other costs to the appropriate county board (if not already allocated in the general ledger). Ensure appropriate program costs are reflected in the corresponding program of the county board's summary expenditures form.



Classifying or assigning program codes throughout the year as transactions occur will simplify this portion of the cost allocation.

2. For county boards that share COG staffing costs to administer a program, use an acceptable methodology to allocate the cost equitably. Document methodology for auditing purposes.
3. Costs not directly allocable to a specific program should be reported on forms for Indirect Costs, Program Supervision, and Building Services. These costs are allocated on the Summary of Expenditures report and will flow down to the county expenditures form automatically.
4. Post the directly chargeable and allocated costs to the appropriate accounts and program centers on the county board summary expenditure form. Use the county board *Guide to Preparing Cost Report* to determine which account and program to report the costs.

FAQ

Do I only complete a summary workbook for members of the COG? We provide services for a Board that is not a member of our COG.

You should create workbooks for counties you provide services for so that they receive their fair share of the COG's costs. It does not matter whether they are official members of the COG or not. If the COG incurs overhead costs on a county board's behalf, then that county board should receive some of those costs.

County Expenditures Form

The county board Summary of Service Costs report details expenditures organized by accounts and by program categories. This form mirrors that report. To enter costs for a county board, the COG must first create summary forms in CBCR.

Using COG financial allocation reports maintained throughout the year, enter the annual dollar amount calculated for the corresponding program. Perform this function for each county expenditures form.

The totals of each county expenditures form will be summarized on the COG Summary of Service Costs report.

Expenditures allocations for Capital Costs, Indirect Costs, Program Supervision, and Building Services are allocations for the county board's share of the COG's overhead costs. These allocations are detailed on the COG's Allocation Statistics report. Because these allocations are based on the total expenditures of all county boards a COG provides services for, they will not be accurate until expenditures for all county boards are complete.

[2 CFR Ch. II Part 200 Subpart E – Selected Items of Cost](#) defines unallowable costs, i.e. items of cost that may not be reimbursed by the federal government. These costs should be reported as non-federal reimbursable.

Direct Expenses Non-Allocable

COGs may now charge costs directly to Capital Costs, Indirect Costs, Program Supervision, and Building Services. These costs are in addition to any allocated costs for those accounts as detailed on the Allocation Statistics report (Schedule B). Both allocated costs and direct expenses non-allocable will transfer to the county board cost report.

As a COG enters direct expenses non-allocable, it has the option to reconcile or not reconcile entries on the COG Reconciliation form. The amounts reported for non-reconcilable entries will factor into the expenditures allocations to ensure that the county board receives the appropriate share of the COG's overhead costs.

Reconcilable entries should be limited generally to pass-through funds or transfers where the COG does not incur overhead.

Example

A COG that pays the utilities bills for adult program facilities on behalf of a county board may charge these costs to the Facility-Based Services program under the Building Services account. Because the COG is merely acting as a fiscal agent, it should reconcile the revenue.

Non-reconcilable entries should be generally limited to non-federal reimbursable costs reported as Indirect Costs where the COG incurs some overhead to execute the associated activity.

Example

A COG that incurs fundraising costs on behalf of a county board should report these costs as indirect costs under the non-federal reimbursable cost center. Because the COG incurs some overhead, it should not reconcile the expense.

These entries will be thoroughly reviewed by DODD as part of its desk review.

FAQ

I have three types of indirect expenses that I want to directly assign onto a CB cost report. They are expenses related to IT, HR and accreditation. All three of the expenses support all programs so I'm not sure which program to put it under. Is there a way to make a general admin program?

These seem like administrative costs that would normally be reported as general expenses on the county board's Indirect Costs form. However, general expenses are not available for entry on the summary forms. The best strategy is to instruct the county board to report these costs on their report as they normally would, or as if they had incurred the costs themselves, and then add a reconciling entry on your reconciliation form to balance to your books.

Last year, we began paying the medical insurance premiums for forty-some employees on behalf of one of our county boards. The county board transferred funds to the COG and then the insurance company debited the premiums from the bank account each month. How do I expense the premiums on the county board's summary workbook?

The best strategy is to ask the county board how the salaries for those employees are coded so that you agree about which program to charge the costs to. Otherwise, the county board may ask you to revise their summary workbook later.

The county board pays a monthly fee to the COG for MUI services. The MUI employee works for the COG and bills MAC. How do we report these costs?

Transfers to COGs should be reported as reconciling expenses on the county board report. The COG should treat MAC costs exactly like a county board would – the only difference is that the COG will allocate these costs to the board's summary workbook. For now, the COG should report MUI costs under Direct Services > Non-Federal Reimbursable of the summary workbook and later subtract the salary and benefits from Direct Services to the Medicaid Administration form based on the final RMTS report.

Where would you put the costs for a Transition Specialist? These are expenses for the Bridges Program.

In their cost report, county boards would report these expenses on the Adult Programs form and then back them out in the less revenue portion of the a1 report. In CBCR, you can enter these costs on the county board's expenditure form and instruct them to back the costs out in the less revenue portion of the a1 report.

County Statistics Form

This form mirrors the county board statistics form for professional units of service, transportation, and service and support administration. To enter statistics for a county board, the COG must first create summary forms in CBCR.

Professional Units of Service

This section should be prepared by COGs performing professional services to individuals. These services include:

- a) Physician (by encounter)
- b) Speech/Audiology (by unit)
- c) Psychology (by unit)
- d) Occupational Therapy (by unit)
- e) Physical Therapy (by unit)
- f) Social Work (by unit)
- g) Nutrition (by unit)

Any **administrative and planning time** related to these services **should not** be included. All units of service must be reported on a 15-minute basis for the entire reporting period. **The total should include both Medicaid and non-Medicaid units.**

Units of service, for the purposes of this form, must be based on actual delivery time. A unit of service is 15 minutes. Minutes of service provided to a specific eligible people can be accrued over one calendar day. The number of units is equivalent to the total number of minutes of service provided during the day for a specific people divided by fifteen plus one additional unit if the remaining number of minutes is eight or greater minutes.

County boards must report units of service delivered to adults and children. Therefore, the COG should report children units separated into the following age groups: Early Intervention, Pre-School, and School Age.

Transportation Units

This section requires statistical information for the children and adult programs. Transportation records indicating trips to and from county board programs must be maintained by each county board for each person transported. It is critical for the COG to accurately report units for transportation services they coordinate on behalf of the county board because they factor into the county board's transportation rate.

The COG must convert each program's transportation to one way trips for only county board provided transportation and contracted transportation services. For example, if the county board maintains a bus

fleet to transport people to services, those services generate a one-way trip and are reported under Transportation Units in the corresponding field for age group and program type. If the county board contracts with an outside service for transportation services, those services also generate a one-way trip and are reported under Transportation Units in the corresponding field for age group and program type. The county board will include these units in their Annual Summary of Transportation Services form.

If the COG, on behalf of the county board, paid bus fare, taxi fare, or paid a fee to the person's family, etc., those costs are to be listed in the appropriate field by age group and program type. If the COG, on behalf of the county board, paid a provider on a per mile basis to transport a person served, those costs must also be accounted for in the same manner as bus fare and taxi fare. These trips do not generate a one-way trip for statistical reporting purposes.

Transportation units must be maintained by program center and compiled monthly, then summarized annually for reporting purposes. Maintain documentation for auditing purposes. Documentation must adhere to the waiver payment standards contained in [OAC 5123:2-9-06](#).

The following are scenarios to provide guidance on whether a transportation unit was delivered.

1. A person is picked-up at his/her residence and is transported to the habilitation center. At the habilitation center, the individual changes vehicles and is transported to his/her enclave.

Under this scenario, the transportation counts as **one trip** as well as the reverse when he/she is transported home.

2. Same scenario as item 1 above first except the person changes from a vehicle that bills by the trip to one that bills by the mile.

This still counts as **one trip** and **NO** mileage may be counted or paid.

3. The person is receiving day services at a facility and goes out on a field trip (e.g, shopping trip to the mall) as part of his/her day services.

The transportation is **NOT** counted as a trip as it is part of the day's services.

Service and Support Administration Units

This form must be prepared by county board.

County Revenues Form

This form is used to report revenue received on behalf of a county board from January 1 through December 31. To enter revenue for a county board, the COG must first create summary forms in CBCR.

Interest or investment income earned on an individual county board bank account must be recorded on each individual county board form, unless otherwise agreed upon to become COG revenue to offset the cost of services.

Transfers of funds from the county board to the COG to operate programs is not true revenue for a county board. Examples include paying bills for supported living or family support or paying waiver match on behalf of a county board. These transfers should be reported as reconciling items, or a county board's income will be overstated.

For more detail on operating revenues, please see the county board *Guide to Preparing Cost Report*.

FAQ

We receive reimbursements for OOD on behalf of a county board. Where do we report them?

Report them under County Revenues > Federal Programs > Opportunities for Ohioans with Disabilities (OOD).

COG Master – Match Paid to DODD

Use this form to enter match paid to DODD on behalf of county boards. Previously, COGs reported a lump sum amount on behalf of all county boards. In CBCR, COGs must enter amounts individually by county.

These amounts will be reported on the comprehensive cost report published on the DODD website beginning with the CY16 cost reports.

COG Master – Operating Revenues

This form is used to report revenue received by the COG from January 1 through December 31.

County Board Fees

Membership or administration fees charged to member counties to be a voting member of the COG.

Federal Programs

Includes Medicaid Administrative Claiming and any federal grants administered by the COG.

Other Revenues

Includes but is not limited to interest, reimbursements, non-member contracts, conference fees, and training fees.



Program services funds received by the COG for the payment of bills, vouchers, etc. on behalf of a county board should be reported as a reconciling item for the COG and not as a revenue on forms for either COG Master – Operating Revenues or County Expenditures.

COG Master – Capital Costs

Use this form to report depreciation charged for all equipment, both fixed and movable, regardless of whether it is owned by the county government and/or county board.

All equipment having an actual or estimated cost of \$5,000 or more and a useful life of more than one year per the **2013 AHA Chart of Useful Lives** must be set up in an asset ledger and depreciated using a straight-line method of depreciation. Assets with a cost of the lesser of the capitalization level established by the governmental unit or \$5,000 may be expensed in the year of acquisition per [2 CFR Part 200 Subpart E §200.439](#).

Starting in reporting period 2007, all assets purchased and placed into operation must use an acceptable straight-line method of depreciation calculation and report a full period's (period is defined as yearly, semiannual, quarterly, or monthly) depreciation cost in the period of disposition and no depreciation cost in the period of acquisition. Assets purchased and placed into operation prior to 2007 may continue using the prior depreciation methodology until fully depreciated and disposed. Depreciation costs for assets dedicated for use for all programs must be allocated using the following method: if the assets are shared by two or more programs, but not all programs, supplemental documentation must be prepared using the best available statistic to allocate depreciation costs to the programs involved.

For more specific details on depreciation, please see the county board *Guide to Preparing Cost Report*.

COG Master – Indirect Costs

Use this form to report general management costs for the entire COG. Of the forms listed under COG Master, this one should be completed last. If the COG participates in Medicaid Administrative Claiming, then complete this form after personnel costs for MAC have been deducted from other forms.

Salaries

These costs are for personnel that perform duties that cannot be directly assignable to a specific program by the nature of the duty and responsibility.

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance, including but not necessarily limited to wages and salaries. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.430](#).

Typical positions may include executive director, business department staff, clerical staff, and any position not directly allocated to a program.

Benefits

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in 2 CFR Part 200 Subpart E, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity. The costs of such benefits are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.431](#).

Service Contracts

Contracts that cannot be directly assignable to a specific program defined by the nature and scope of the contract. These costs are allowable only if such costs meet the requirements in accordance with the Uniform Guidance.

Other Expenses

Expenses that cannot be directly assignable to a specific program defined by the nature and scope of the purchase. These costs are allowable only if such costs meet the requirements in accordance with the Uniform Guidance.

Total Admin Costs (locked)

This amount represents total administrative costs reported by the COG.

COG Master – Program Supervision

Program Supervision is defined as program support and general services required to maintain and facilitate direct service programs. Only costs associated **above the first level of supervision** should be reported on this form. If the COG participates in Medicaid Administrative Claiming, then complete this form after personnel costs for MAC have been deducted from other forms.

Salaries

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance, including but not necessarily limited to wages and salaries. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.430](#).

Benefits

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in 2 CFR Part 200 Subpart E, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity. The costs of such benefits are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.431](#).

Service Contracts

Contracts that cannot be directly assignable to a specific program defined by the nature and scope of the contract. These costs are allowable only if such costs meet the requirements in accordance with the Uniform Guidance.

Other Expenses

Expenses that cannot be directly assignable to a specific program defined by the nature and scope of the purchase. These costs are allowable only if such costs meet the requirements in accordance with the Uniform Guidance.

Total Program Supervision Costs (locked)

This amount represents total program supervision costs reported by the COG.

COG Master – Building Services

Use this form to report all building service costs such as housekeeping, maintenance and non-capitalized repairs, and utilities.

Salaries

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance, including but not necessarily limited to wages and salaries. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.430](#).

Typical positions may include maintenance and grounds staff employed by the COG.

Benefits

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in 2 CFR Part 200 Subpart E, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity. The costs of such benefits are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.431](#).

Service Contracts

Contracts that cannot be directly assignable to a specific program defined by the nature and scope of the contract. These costs are allowable only if such costs meet the requirements in accordance with the Uniform Guidance.

Other Expenses

Expenses that cannot be directly assignable to a specific program defined by the nature and scope of the purchase. These costs are allowable only if such costs meet the requirements in accordance with the Uniform Guidance.

Total Building Services Costs (locked)

This amount represents total building services costs reported by the COG.

COG Master – Medicaid Administrative Claiming

Use this form to report costs of activities performed for the “proper and efficient administration” of Medicaid. Only complete this form if the COG participates in the Medicaid Administrative Claiming (MAC) program.

The best strategy for properly classifying staff that participate in MAC is to code them to the proper place in the cost report as if MAC did not exist. Before the COG receives the RMTS report, it should enter those costs into the cost report based on this coding. Once the COG receives the RMTS report, it should subtract the salary and benefits, by person, from the appropriate forms. Then, the COG should enter cost information into this form exactly as listed on the RMTS report.

Salaries

Payroll costs are allowable expenditures to the MAC program and are allocated using Random Moment Time Study methodology. These costs are reimbursed quarterly. Record payroll costs associated with reimbursable codes, or the allocated portion thereof, in Medicaid Administration and record payroll costs associated with non-reimbursable codes in Non-Federal Reimbursable.

The costs of such compensation are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.430](#).

Benefits

Fringe benefits are an allowable expenditure to the MAC program and are allocated using Random Moment Time Study methodology. These costs are reimbursed quarterly. Record fringe benefit costs associated with reimbursable codes, or the allocated portion thereof, in Medicaid Administration and record payroll costs associated with non-reimbursable codes in Non-Federal Reimbursable.

The costs of such benefits are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.431](#).

Service Contracts

Service contract costs may be charged to MAC and may include services performed on behalf of a county with whom the COG has a contract to perform MAC functions. These costs are allowable only if such costs meet the requirements in accordance with the Uniform Guidance.

Other Expenses

Expenses that cannot be directly assignable to a specific program defined by the nature and scope of the purchase. These costs are allowable only if such costs meet the requirements in accordance with the Uniform Guidance.



Report MAC fees paid to DODD as non-federal reimbursable under Other Expenses.

Total MAC Costs (locked)

This amount represents total MAC costs reported by the COG.

FAQ

Where should I post the 5% MAC fees?

If the COG is participating in MAC on its own behalf, put those costs on the MAC worksheet in Non-Federal Reimbursable-Other.

COG Master – Services Not Performed on Behalf of a County Board

Use this form to report costs for all services not performed on behalf of a county board in which the COG would otherwise have created a County Board online entry for cost reporting.

Examples include federal grant costs not funded by a county board (i.e. Home Choice), conference costs to benefit all counties/providers, and any other service performed not chargeable to any specific member county board and, therefore, does not become part of their overall cost reporting and rate development.

Salaries

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance, including but not necessarily limited to wages and salaries. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.430](#).

Benefits

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in 2 CFR Part 200 Subpart E, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity. The costs of such benefits are allowable to the extent that they satisfy the specific requirements of [2 CFR Part 200 Subpart E §200.431](#).

Service Contracts

Contracts that cannot be directly assignable to a specific program defined by the nature and scope of the contract. These costs are allowable only if such costs meet the requirements in accordance with the

Uniform Guidance.

Other Expenses

Expenses that cannot be directly assignable to a specific program defined by the nature and scope of the purchase. These costs are allowable only if such costs meet the requirements in accordance with the Uniform Guidance.

Total Other Services Costs (locked)

This amount represents total other services costs reported by the COG.

COG Master – MAC Reconciliation

Use this form to report reimbursement requested through the calendar year for Medicaid Administrative Claiming activities. Only complete this form if the COG participates in the MAC program.

Summary of Expenditures Report

Summary of Expenditures by Program (Schedule A)

This report summarizes costs allocated to all county boards as reported on each county's expenditures form. This includes direct costs, allocated costs, and costs for other waiver services. It also displays allocated costs for MAC, non-federal reimbursable, and other services not performed on behalf of county boards.

Detail for allocated costs can be found on the Allocation Statistics report.

Allocation Statistics (Schedule B)

This report shows county board allocations for their share of the COG's costs for capital, indirect, program supervision, and building services. Because these allocations are based on the total expenditures of all county boards a COG provides services for, they will not be accurate until expenditures for all county boards are complete.

COG Reconciliation Form

Expenditures

The COG must reconcile total expenses on the Summary of Service Costs report to the COG's record of expenditures in its local financial system.

Starting with the total costs as reported on the Summary of Service Costs report, the COG must report necessary adjustments to reconcile to its local system. The COG must maintain records to support each reconciling item.

The difference between the amounts reported on the Summary of Service Costs report and the COG's local system must not exceed 0.25%.

Revenues

The COG must reconcile total revenues on the Operating Revenues form to the COG's record of expenditures in its local financial system.

Starting with the total costs as reported on the Operating Revenues form, the COG must report necessary adjustments to reconcile to its local system. The county board must maintain records to support each reconciling item. Common items for which an adjustment would need to be made include but are not limited to

- Waiver match funds – match dollars sent to the COG to pay quarterly match invoices
- Program funding – monies sent to the COG to pay for programs such as Family Supports and Supported Living
- MAC or admin fees – monies sent to the COG to pay MAC or Admin fees on behalf of a county
- County transfers – any other transfers of funds from a county board to the COG

The difference between the amounts reported on the Operating Revenues form and the COG's local system must not exceed 0.25%.

FAQ

We pay developmental center costs on behalf of a county board. How should we report these costs?

Report the expenses on the COG reconciliation form. Because the DC is incurring the cost of care, they report these costs on their cost report.

COG Cost Report Completion Tips

- The cost report is something you do every day as you code, allocate, and share services.
- Maintain documentation for revenues and expenditures in a way you can verify allocations and trace costs.
- Organize accounts in a format that facilitates accurate completion of the cost report.
- Maintain statistical information used to allocate costs.
- Maintain third party payments received for services billed under Medicaid-funded programs.
- Maintain UCR schedules as applicable.
- Report revenue and expenditures related to services provided by, or on behalf of, the county board that were received or paid.
- Direct assignment of cost through supplemental allocation worksheets is the preferable method. All supplemental forms through the COG local financial system should reflect allocated costs based upon an acceptable and traceable methodology. This methodology must be consistent.
- Any units of service delivery performed by the council of government (if applicable) on behalf of the county board shall also be included in the statistical information in the county board's cost report. If you record units, you MUST have costs.
- Refer to the county board cost report guide for additional county board program details.
- Be familiar with the county board cost report.
- Revenue received directly by a council of government (not coming from the county board) on behalf of the county board is also to be included in the county board's cost report.
 - Funds the county sends the COG for programs should be recorded on the county board reconciliation page (remind the county board to do this).
 - Funds the county sends the COG for administration or membership should be recorded on the county board reconciliation page (remind the county board to do this).
- Funds received from the county board to operate programs should be reported on the COG reconciliation form.
- Transfers made from the county to the COG should be reported on the COG reconciliation form.
- Funds received from the county board for dues/membership/administration should be reported on the COG master cost report as revenue.
- Double check to make sure you properly offset your MAC salaries on the appropriate allocation workbook and/or cost report form.
- Review the COG cost reports with your executive director.
- Review allocation methodology with your county board business managers.

- Upload to the online system supporting documentation corresponding to each of the COG forms including depreciation schedules, allocation sheets, revenue reports, expense reports, etc. This will speed up the audit process.
- Document as if you will not be the person who will be explaining your cost report work to the auditors.
- Any draft audit adjustments which are proposed by the auditors, share with your county board business managers prior to signing off on an audit. Make sure everyone is in full agreement. Once the audit is final, it cannot be revisited.
- Remember, the COG cost report is an extension of the county board cost report and impacts their Medicaid rates.
- The COG cost report is **due on or before June 30th of each year**. Complete as early as possible.

