



State of Connecticut
Department of Developmental Services

Dannel P. Malloy
Governor

Jordan A. Scheff
Commissioner

Operations Memo 2018-03

To: Purchase of Services Contracted Private Providers

From: Peter Mason, Director DDS Operations Center

CC: Jordan A. Scheff, Commissioner, Regional Directors, Private ARDs, Resource Administrators, ARC of CT, CT Community Nonprofit Alliance

Date: August 14, 2017

Subject: Submission Date of the FY 2017 Annual Report of Residential and Day Services
Training Date for the FY2017 Annual Report
Electronic Submission Process for the FY2017 Annual Report
FY2017 Annual Reporting Requirements
Items of Note for the FY 2017 Annual Report for Residential and Day Services

1. **Submission Deadline-** The submission date for the FY2017 Annual Report for Residential and Day Services is October 15, 2017.
2. **Training Date –** Training for **NEW POS PROVIDERS and new Business Office Managers** will be held on August 31, 2017. Registration for the training has ended. Registration flyers for providers who have signed up will be sent via email. All current and past training information is available on the DDS website.
3. **Electronic Submission Process for the FY2017 Annual Report -** For FY2017, providers will log onto the Myers & Stauffer's website and download the annual report Excel Spreadsheet along with the Aid for Preparing the Annual Report. Once complete, the provider will upload the FY2017 Annual Report and any required DDS and DSS documentation. Each download and upload will be considered a single event allowing both the provider and DDS to track all activity on the website.
4. **FY2017 Annual Reporting Requirements**
 - a. **Financial Reporting Requirement:** An agency that has received financial compensation of \$300,000 or more through a Purchase of Service contract is required to electronically submit the 2017 Annual Report of Residential and Day Services for the fiscal year ended June 30, 2017. The report must be uploaded to the Myers and Stauffer website no later than 4:00 p.m. on October 15, 2017.
 - b. For-Profit providers (including LLC's, Sole Proprietors, Partnerships, S-Corporations, and C corporations) are required to submit an Annual Report that has been audited by a CPA.

- c. Non-profit providers are required to electronically submit the Reconciliation of Financial Statements to Annual Report of Residential and Day Services. The Reconciliation of Financial Statements to Annual Report of Residential and Day Services form is included in the FY2017 Annual Report download. The reconciliation assures the State of Connecticut that the expenses reported in the Annual Report are based on the audited costs reported in the Financial Statements.
- d. If the Annual Report is filed late, Regulation Sec. 17-313b-4 notes that for each day that the ACOR (Annual Report of Residential and Day Services) is not filed, a penalty shall be assessed. The Commissioner may approve a request for an extension to the filing date if he deems that extraordinary circumstances will prevent the timely filing of the Cost Report. The request for an extension should be sent to the attention of Commissioner Scheff in writing and prior to October 15, 2017. DDS will make every effort to review all extension requests in a timely manner but makes no assurance that a request will be reviewed before the submission deadline. It is recommended that the request be submitted as soon as the extraordinary circumstances are identified. Approved annual report submission extensions will be effective no earlier than the date the request was received by the department.
- e. For-profit providers (including LLC's, Sole Proprietors, Partnerships, S-Corporations, and C corporations) are required to submit Audited Financial Statements along with a management letter and audit recommendations to the Operations Center at DDS Central Office no later than December 31, 2017.

Non-Profit providers are required to submit a Reconciliation of Financial Statements to Annual Report of Residential and Day Services. The Reconciliation of Financial Statements to Annual Report of Residential and Day Services is included in the 2017 Annual Report download. The reconciliation assures the State of Connecticut that the expenses reported in the Annual Report are based on the audited costs reported in the Financial Statements. The reconciliation must be electronically submitted no later than December 31, 2017.

5. Changes to the FY2017 Annual Report:

- a. Cost Center #460 Senior Supports has been added to the Annual Report
- b. Cost Center #440 Sheltered Work (SHE) has been changed to PreVocational (PRE-VOC)
- c. Cost Center #850 Adult companion (ADLT CMP) has been changed to Companion Services (CPS)
- d. Page 14, Administrative Gen: A row has been added to enter the # of vehicles. It is under Vehicle Cost (Row 24).

6. Items of Note for the FY 2017 Annual Report for Residential and Day Services - The following is a list of items to be aware of when completing the FY 2017 Annual Report. Please consult the instructions included with the download for additional information regarding the Annual Report.

- a. The provider must have a separate cost center for each CLA and/or CRS home.
- b. The provider must have a separate cost center for each program type (CCH, IHS, Personal Support, Companion Services, Parent Support, Shared Living, ISE, GSE, DSO, IDN/IDV, Pre-Vocational, HCC, Clinical Behavioral Supports, and Adult Day Health). The costs for transportation specific authorizations should be included in the support category for which the participant is transported to. The support categories of ISE, GSE, DSO, Pre-Vocational, and IDN/IDV will fall under the Summary of Day spreadsheet. The support categories of IHS, personal support, companion services, parent support, shared living, clinical behavioral supports and healthcare coordination will fall under the Summary of IHS spreadsheet.
- c. In FY2016, the Annual Report was amended to comply with the Office of Policy and Management Uniform Chart of Accounts. A single one page report had been added that converts the existing accounts on the Annual Report into a one page summary for the Uniform Chart of Accounts. The one page summary is automatically populated with the information provided on the Summary Pages. The addition of the uniform chart of account summary page has required items that were previously included in a general line to now be itemized. The items are as follows:

All Programs

- General Supplies
- Communication
- Insurance (Property)

- Client Medical Expenses
- Recreation
- Vehicle Lease (excluding Vehicle Interest and Insurance)
- Vehicle Maintenance (gas and other operating expenses)
- Other Transportation (Specify)

Day Programs only

- Rent and Real Estate Taxes
 - Security
 - Maintenance & Repair-facility and Plant
 - Utilities
- d. Summary of Day Expenses includes an additional line on the annual report to include the total number of hours provided for all hourly service authorizations. Providers will continue to separately report on the number of days provided for all per diem authorizations.
 - e. The Executive Director's Salary Supplemental Disclosure Schedule is no longer optional. All providers must complete this form. The form has been revised to account for multi-state providers and the allocation of the Connecticut portion of the Executive Director's salary. The total allowable salary amount has been increased to \$101,000.00.
 - f. As a reminder, all maintenance salary and benefits or any other costs related to the maintenance of a CLA must be reported on the DSS Room and Board pages. CLA maintenance costs found to be included in the DDS portion of the report will be disallowed and **NOT** included in your DDS cost settlement.
 - g. The amount of the cost settlement will be 100% of the difference between the total DDS revenue reported on the Payment Letter for FY 2017 prepared by DDS Operations Center minus the total DDS expenses reported on the FY 2017 Annual Report for all DDS programs.
 - h. The allowable limit for lease/loan/rental payments for each administrative vehicle is \$4,800 per year. This applies to the annual payment for the acquisition of the vehicle exclusive of gas and maintenance costs.
 - i. **Reporting related party transactions on the annual report does not replace the need to submit a request for prior approval from DDS in conformance to the DDS Ethics Protocols.** The allowability of costs associated with all related party transactions are subject to additional review as part of the Annual Report review process.
 - j. Providers are to report costs based on the OPM costs standards. The standards define and enumerate allowable and unallowable costs, including Administrative and General (A&G) costs, and require documentation of all allowable administrative costs in a formal cost allocation plan. Here is the link to the Cost Standards: http://www.ct.gov/opm/cwp/view.asp?a=2981&Q=382994&opmNav_GID=1806.
 - k. CLA providers are to clearly identify the total cash advance amount funded by DDS for all CLA's on their financial statements as a liability under the name "DDS Cash Advance."