



State of Connecticut
Department of Developmental Services

DDS

Ned Lamont
Governor

Jordan A. Scheff
Commissioner

Peter Mason
Deputy Commissioner

To: Purchase of Services Contracted Private Providers

From: Scott McWilliams, Chief of Fiscal/Administrative Services

CC: Jordan Scheff, Commissioner, Peter Mason, Deputy Commissioner, Katie Rock-Burns, Chief of Staff, David David, Operations Center Director, Regional Directors, Private ARDs, Resource Administrators, The Alliance, The Arc CT

Date: October 6, 2020

RE: Fiscal Year 2020 Cost Report and Coronavirus Funding Instructions

Overview

Many providers received federal assistance in FY2020 to offset the cost of expenses attributed to COVID-19. This assistance included Coronavirus Relief Funds (CRF) and the Paycheck Protection Program (PPP). CRF funds were allotted to DDS and paid to residential providers. PPP is a low interest loan from the federal government designed to prevent participants from having to lay off their staff. The federal government will convert PPP loans to grants for participants that meet certain conditions. These grants will not need to be repaid. PPP funds must be spent 24 weeks after the first dispersal. CRF funds must be spent no later than December 30, 2020.

Since the federal funds may be spent in multiple fiscal years, it is essential to record the revenue in the correct fiscal year in which it was used to offset costs. Since most providers received the federal assistance in FY2020, the financial statements must accurately reflect all the transactions in the fiscal year.

These are the guidelines for reporting CRF and PPP revenue and expenses:

1. Record eligible fiscal year 2020 costs on the 2020 annual report in the cost center they were incurred
2. Record CRF revenue on page 30 line 1q1 of the annual report. Unspent CRF should be deferred to fiscal year 2021. CRF Funding not expended by December 30, 2020 must be returned to DDS
3. Record PPP (if applicable) on page 30 line 2d5 (Other Income)
4. All costs funded by CRF and PPP revenue must be backed out on the annual report. This is done by reducing the allowable costs with an entry in the (Less Operating and Non- Operating Revenue line item). For CLAs this is page 16 line 14, CRS page 18 line 13, .IHS page 20 line 11, Day page 24 line 10, Other page 25 line 9, room and board page 29 line 18a, and AG page 14 line 7.
5. Over the two fiscal years, June 30, 2020 and 2021 the total amount of revenue offsets as identified in 4.) should equal the total PPP loan forgiven and CRF funding.

Fiscal Year 2020 and 2021 Coronavirus Relief Funds and Paycheck Protection Program Loan Schedule Instructions

This schedule has a revenue and expense section. Record revenue in the same time period as the expense it is offsetting. Record expenses in the time period they were incurred.

Here is an example using a fictional provider that received a \$1 million PPP loan and \$300,000 in CRF. The provider allocates the funding as follows:

Item	Time Period	Amount
PPP Allocated to Non-DDS Programs	FY 21 July 1 - December 30	500,000
PPP Loans Allocated to DDS Day Programs	FY 21 July 1 - December 30	200,000
PPP Loans Allocated to DDS Residential Programs	FY 20	100,000
PPP Loans Allocated to DDS Residential Programs	FY 21 July 1 - December 30	200,000
Federal Coronavirus Relief Funds From DDS	FY 20	300,000

The completed schedule should look like this:

	Funding Source	FY 20 Total	FY 21 July 1 - Dec 30	Total
Revenue				
(1)	Total Paycheck Protection Program (PPP) loans	100,000	900,000	1,000,000
(2)	PPP Allocated to Non-DDS Programs		500,000	500,000
(3)	PPP Loans Allocated to DDS Day Programs		200,000	200,000
(4)	PPP Loans Allocated to DDS Residential Programs	100,000	200,000	300,000
(5)	Total PPP (Must Equal Line 1)	100,000	900,000	1,000,000
(6)	Federal Coronavirus Relief Funds From DDS	300,000		300,000
(7)	Total Residential CRF and PPP Line 4 + Line 6	400,000	200,000	600,000
Expenses				
(8)	Allowable Non-Duplicative expenses reimbursed by the Paycheck protection program (PPP) loan	100,000	200,000	300,000
(9)	Allowable Non-Duplicative Expenses reimbursed by COVID-19 Relief Funds	300,000		300,000
(10)	Total Expenses	400,000	200,000	600,000
(11)	Balance	0	0	0