Operations Center Memo FY2026-09

To: DDS Qualified Providers

From: Sean Bannon, Operations Center Director

CC: Jordan Scheff, Commissioner, Elisa Velardo, Deputy Commissioner, Katie Rock-Burns, Chief of Staff, Nicholas Jerard, CFO, Regional Directors, Private ARDs, Resource Administrators, The Alliance, The Arc CT

Date: September 16, 2025

RE: Submission Date of the FY 2025 Annual Report of Day and Residential Services
Electronic Submission Process for the FY2025 Annual Report
FY2025 Annual Reporting Requirements and Changes
Items of Note for the FY2025 Annual Report for Residential and Day Services

The FY 2025 Annual report of Day and Residential Servies is now available for download on the Myers and Stauffer website.

1) **Submission Deadline**- The submission date for the FY2025 Annual Report for Residential and Day Services is **October 15, 2025**.

2) **Electronic Submission Process for the FY2025 Annual Report** - For FY2025, 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 FY2025 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.

3) **FY2025 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 2025 Annual Report of Residential and Day Services for the fiscal year ended June 30, 2025. The report must be uploaded to the Myers and Stauffer website no later than 4:00 p.m. on October 15, 2025.

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 FY2025 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, 2025.
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. In addition, as per the FY 25-FY 27 POS Contract, If the Contractor does not submit the Annual Report timely and has not been granted an extension to its Annual Report filing date, it will have five percent (5%) of its monthly payment held until the Annual Report is received. The withheld portion of the Contractor's payment shall be paid in the next monthly payment, if received at least ten (10) business days prior to the regularly scheduled monthly payment. The request for an extension should be sent to the DDS.OperationsCenter@ct.gov mailbox prior to October 15, 2025. 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, 2025.

4) Changes to the FY2025 Annual Report:

- The Revenue Retention tab has been removed, as there will be a separate reporting template for Revenue Retention.
- ARPA revenue/expenses:
  - On the Revenue Schedule – Report only the revenue that had offsetting ARPA expenses in FY 2025.
  - Include the offsetting ARPA expenses on the applicable Program worksheets.

5) Items of Note for the FY 2025 Annual Report for Residential and Day Services - The following is a list of items to be aware of when completing the FY 2025 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. ARPA HCBS- The Revenue Schedule has line 1. Q1 - American Rescue Plan Act (ARPA) HCBS FY2025 Expenses. Include all types of ARPA HCBS money received in FY 2025. Only the revenue that was used for ARPA HCBS expensed in FY2025 should be included on this line.
d. A single one page Uniform Chart of Accounts report had been added that converts the existing accounts on the Annual Report into a one page summary for the Uniform Chart of Accounts.
e. 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.

f. 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 multistate providers and the allocation of the Connecticut portion of the Executive Director's salary. The total allowable salary amount is $128,188.00.
g. 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 expenses as part of the cost settlement calculation.
h. Non-profit providers shall reinvest retained savings in DDS funded programs per the June 7, 2022 Office of Policy and Management Nonprofit Incentive program memorandum. Retained savings will be the difference between the total DDS revenue reported on the Revenue Data for FY 2025 prepared by DDS Operations Center minus the total allowable DDS expenses reported on the FY 2025 Annual Report for all DDS programs. For-profit providers that have met all contractual requirements are included in the incentive program for **FY 25**.
i. Providers utilizing Revenue Retention funds in FY 25 **do not** report these costs on the Annual Report, as there is a separate Revenue Retention cost report to record these expenses.
j. The allowable limit for lease/loan/rental payments for each administrative vehicle is $6,000 per year. This applies to the annual payment for the acquisition of the vehicle exclusive of gas and maintenance costs.
k. **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.
l. Providers are to report costs based on the OPM Cost 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.
m. 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".
n. Include benefit pool reporting as part of benefits this year.