

**STATE OF MAINE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
INSTRUCTIONS FOR COMPLETING THE COST REPORT  
PNMI APPENDIX B SUBSTANCE ABUSE TREATMENT FACILITIES AND APPENDIX D CHILD  
CARE FACILITIES**

All PNMI Appendix B and D facilities are required to submit a cost report, financial statements and supporting documentation within five (5) months of the end of each fiscal year to the State of Maine Department of Health and Human Services, Division of Audit. Utilize the file transfer program, MOVEit, to upload the completed cost report in .xlsx format, along with the required supporting documents. If you do not have access to the internet, mail the information to the State of Maine DHHS, Division of Audit, 11 State House Station, Augusta, Maine 04333-0011. If a provider fails to file an acceptable cost report by the due date, the Division of Audit may send the provider a notice by certified mail advising the provider that all payments are suspended until an acceptable cost report is filed.

These instructions are intended to offer guidance in completing the cost report. These instructions are not intended to offer interpretation or clarification of the Private Non-Medical Institution (PNMI) Services Principles of Reimbursement (10-144 Chapter 101, MaineCare Benefits Manual, Chapter III, Section 97, Appendix B and D.) **If any conflict arises out of the interpretation of these instructions versus the interpretation of the Principles of Reimbursement, the Principles of Reimbursement will take precedence.**

The annual cost report must be completed and filed on forms prescribed by the Division of Audit. These forms will not be acceptable if they are changed in any way without prior approval by the Department or if they are not completed in accordance with these instructions. The Principles of Reimbursement in effect during the fiscal year of the cost report will determine allowable cost. Providers are required to file cost reports using the accrual basis of accounting, unless the Provider is a State or municipal institution that operates on a cash basis. All schedules must be filled out completely and legibly in accordance with these instructions. Failure to complete all forms could result in an unacceptable cost report.

A copy of the provider's financial statements must be submitted with the cost report, along with a copy of the financial statements of any related real estate entity or any other type of related organization involved in transactions with the facility.

**Index of Cost Report Schedules**

General Info	Cost Report/Facility/Ownership Information
Attestation	Certification by Officer or Administrator of Provider
Schedule A	Schedule of Revenues and Expenses
Schedule B	Schedule A / Trial Balance Reconciliation
Schedule C	Schedule of Worked Hours and Wages
Schedule C-1	Schedule of Consultants and Cost Allocations
Schedule D	Reconciliation of Payroll Wages and Taxes
Schedule D-1	Schedule of Total Agency Wages and Payroll Taxes by Cost Center
Schedule D-2	Schedule of Payroll Taxes and Benefits
Schedule E	Schedule of Resident Census

## Specific Instructions

The following includes specific instructions for each cost report schedule in the order that they appear in the cost report. This is not necessarily the order in which the forms should be completed. **In general, cells highlighted in blue contain formulas. The formulas in these cells should not be altered. A cell that is highlighted in yellow indicates that the cost report preparer must enter that information manually into that particular cell.**

### General Info – Cost Report/Facility/Ownership Information

This section of the cost report provides general information about the provider and the operating period.

In Part I, enter the Facility Name, Facility Address, Telephone Number, Email Address, Cost Report Status (as-filed or revised), the Period Begin Date, the Period End Date, the facility's 10-digit NPI+3 ID used for Medicaid billing, and the Number of Licensed Beds.

In Part II, enter the name of the facility's Corporation or Central Office, Corporate Address, Telephone Number, and Email Address. Select the Ownership Type from the dropdown list. List the names of all owners/corporate officers and provide their title and number of shares or percentage of ownership.

In Part III, enter the name of the Accounting Firm providing accounting services to the facility, the Firm's address, Telephone Number, and Email Address.

In Part IV, list the Business Name, Address, Type, and Service Rendered for all related organizations.

### Attestation – Certification by Officer or Administrator of Provider

Print this form **after** completing all other cost report schedules. Ensure that the name of the facility and the reporting period are displayed correctly at the top of the form. Print the provider's name, license number and period beginning and end dates in the appropriate fields within the certification statement. Print the Preparer's Name, Accounting Firm, Telephone Number, the Officer's/Administrator's Name and Title, and the Date completed. Both the cost report preparer and Officer/Administrator must sign on the appropriate lines. This form bearing original signatures must be mailed to the State of Maine DHHS, Division of Audit, 11 State House Station, Augusta, Maine 04333-0011.

### Schedule A – Schedule of Revenues and Expenses

Schedule A is used to report the program's total revenues and expenses per the trial balance.

#### Column (1) Trial Balance Account Number:

Indicate the applicable trial balance account number (or corresponding Schedule) for each line item on Schedule A. If a line item is a combination of more than one trial balance account, or a trial balance account is allocated to more than one line item, then Schedule A-1 reconciling the trial balance accounts to the line items on Schedule A must be completed.

#### Column (3) Total Program per Trial Balance:

**Lines 1 through 9:** enter the total program revenues on the applicable lines.

**Line 11:** enter the total direct service wages from Schedule C, line 41, column 6.

**Line 12:** enter the total direct service payroll taxes and benefits from Schedule C, line 42, column 6.

**Line 13:** enter the total direct service consultants from Schedule C, line 43, column 6.

**Line 14:** enter the total foster parents from Schedule C, line 44, column 6.

**Lines 16 through 33:** enter the total program direct service - other expenses on the applicable lines. Only the non-wage direct costs that are classified as direct expenses of the program per the Provider's trial balance are included in this section.

**Lines 35 through 53:** enter the indirect costs on the applicable lines. Only the costs that are classified as indirect expenses of the agency and allocated to the program, i.e., general & administrative expenses, expenses incurred running other supporting services of the corporation, etc., per the Provider's trial balance are included in this section.

**Line 56:** enter the total PNMI service tax.

**Column (4), Cost per Day:**

In column 4, enter the costs per day on lines 15, 34, 54, 55, 56, and 57 by dividing the corresponding costs in column 3 for those lines by the total resident days on line 59.

**Schedule B – Schedule A / Trial Balance Reconciliation**

The purpose of this schedule is to reconcile any line item on Schedule A that consists of more than one trial balance account or if one trial balance account is allocated to more than one line item on Schedule A.

The following is an example of how Schedule B should be completed:

COST REPORT		TRIAL BALANCE			
LINE #	LINE ITEM DESCRIPTION	AMOUNT	ACCOUNT #	ACCOUNT DESCRIPTION	AMOUNT
			50100	Direct Care - Payroll Taxes	10,000
			50200	Direct Care - Health Insurance	19,000
12	Payroll Taxes & Benefits	35,450	50210	Dir Care - Worker's Comp Insurance	6,450
21	Fire Insurance	6,500	80150	Insurance - Fire	6,500
			70100	Staff Travel - Mileage	3,000
27	Travel	5,150	80150	Insurance - Fire/Liab/Auto	2,150

**Schedule C – Schedule of Worked Hours and Wages**

The purpose of Schedule C is to report the total direct personnel worked hours and wages of the program.

**Direct Service Hours & Wages (lines 1 through 40):**

**In Columns 1 through 6:** enter the employee's name, license or certification, job title, FTE's (*1 FTE = 2080 hours worked*), *worked hours*, and *worked wages*.

**In Columns (7) and (8):** enter the applicable direct service wages. Direct service wages in column 6 are allocated to columns 7 and 8 as follows: direct service staff listed in the MBM, applicable Appendix, Section 2400.1, should be allocated to column 7 per the MBM, Chapter II, Sections 97.04 and 97.08. Direct service staff who perform both covered direct treatment services and other non-covered services, per the MBM, Chapter II, Sections 97.04 and 97.07-8, should be allocated to columns 7 and 8, as applicable. All other direct service staff who perform non-covered services should be allocated to column 8.

**In Column (9):** enter the method of allocation for each employee listed who performs both covered direct treatment services and other non-covered services, per the MBM, Chapter II, Sections 97.04 and 97.07-8, as follows: time study, or direct time records.

**Line 42:** in column 4, enter the % applicable to payroll taxes and benefits.

**Line 44:** in columns 7 and 8, enter the foster parents' stipends. In column 7, enter 60% of the total amount (per Appendix D, Section 2400.3). In column 8, enter the remaining 40%.

Transfer the amounts in column 6, lines 41 through 44 to Schedule A, lines 11 through 14, respectively.

### **Schedule C-1 - Schedule of Consultants and Cost Allocations**

The purpose of Schedule C-1 is to report the total direct consultant expenses of the program

#### **Direct Service Consultants (lines 1 through 40):**

**In Columns 1 through 6:** enter the business's name, consultant's name, license or certification (*See the MBM, applicable Appendix, Section 2400.1. If not licensed or certified, enter "None".*), and total fees paid for each consultant. Direct service consultant fees in column 4 are allocated to columns 5 and 6 as follows: only the costs of clinical consultants per the MBM, Chapter III, applicable Appendix, Section 2400.1, may be allocated to Column 5. All other consultants should be allocated to column 6.

Transfer the consultant fees in column 4, line 41 to Schedule A, line 13.

### **Schedule D – Reconciliation of Payroll Wages and Taxes**

The purpose of this schedule is to reconcile the total payroll wages and taxes reported on the following Federal and State tax forms to the total payroll wages and taxes reported on the Agency's Trial Balance report and Financial Statements:

- Form 941: Employer's Quarterly Federal Tax Return
- Form 940: Employer's Annual Federal Unemployment Tax Return
- Form 941ME: Quarterly Filing for Income Tax Withholding
- Form ME UC-1: Quarterly Unemployment Contributions Reports

List the quarters that are contained within the cost reporting period in column 1. There are six lines to list the quarter ending dates to account for facilities with unique year-ends such as May 31. In column 2, enter any tax-exempt wages paid during each quarter. In column 3, enter the total FICA taxable wages paid during each quarter per Form 941. In column 4, enter the total FICA tax reported on Form 941 for each quarter. In column 5, enter the Maine State unemployment (SUTA) taxable wages reported on Form ME UC-1 for each quarter. In column 6, enter the SUTA tax paid for each quarter. In column 7, enter the Federal unemployment (FUTA) tax paid for each quarter per Form 940. In column 8, enter the employer's share of the FICA tax reported in column 4 for each quarter.

Line 7 is the sum of lines 1 through 6. Lines 8 through 17 are used to reconcile total payroll reported on the tax forms to total payroll reported on Schedule D-1. Line 8 is for the total tax-exempt wages reported in column 2. On line 9, enter any third-party disability wages not reported as wages in columns 2 or 3. On line 10, enter any contract labor wages not reported in column 3. On line 11, enter the prior year payroll accrual as a negative (-) amount. On line 12, enter the current year payroll accrual. On line 13, enter the prior year earned time accrual as a negative (-) amount. On line 14, enter the current year earned time accrual. Line 15 is the sum of column 3, lines 7 through 14. Line 16 is the gross payroll reported on Schedule D-1, line 41. If line 16 does not equal line 15, a variance is calculated on line 17. If a material variance exists, explain the variance (see note).

On line 13b, enter the prior year payroll tax accrual as a negative (-) amount. On line 14b, enter the current year payroll tax accrual. Line 15b is the sum of column 9, lines 7 through 14b. Line 16b is the total payroll taxes reported on Schedule D-1, column 2, line 41. If line 16b does not equal line 15b, a variance is calculated on line 17b. If a variance exists, explain the variance (see note).

**Note:** An explanation that the variance is due to “other programs, entities, or cost centers” is not sufficient. If the variances on lines 17 and 17b are due to additional wages and taxes paid for other programs, entities, or cost centers reported on the 941s but not claimed on this cost report, the provider must include a supplemental schedule reconciling the total payroll and payroll taxes on lines 16 and 16b to the provider’s consolidated financial statements.

**Schedule D-1 – Schedule of Total Agency Wages and Payroll Taxes by Cost Center**

**Lines 1 through 40:** enter each cost center, facility, or program per the agency’s trial balance/financial statements.

**Column (1):** enter the total wages for each cost center.

**Column (2):** enter the total payroll taxes for each cost center.

**Line 41:** Columns 1 and 2 will auto calculate. (Note: line 41, column 1, must agree with the total wages per trial balance/financial statements and Schedule D, line 14, columns 3. Line 41, column 2 must agree with the total payroll taxes per trial balance/financial statements and Schedule D, line 14b, column 9.)

**Schedule D-2 – Schedule of Payroll Taxes and Benefits**

The purpose of Schedule D is to report the payroll taxes and benefits applicable to the direct and indirect wages.

**Line 1:** enter the direct service payroll taxes and benefits in the applicable columns.

**Line 2:** enter the indirect payroll taxes and benefits in the applicable columns.

**Schedule E – Schedule of Resident Census**

The purpose of Schedule E is to report the total MaineCare and non-MaineCare days of service for the cost report period.

In column 2 enter the appropriate year next to the corresponding month.

In column 3 enter the MaineCare days of service for each month.

In column 4 enter the other days of service for each month.

**Error Report**

The final tab of the Cost Report contains an error report that will alert the preparer of possible errors in reporting. Minor variances due to rounding do not need to be adjusted.