

Annual Cost Report Handbook - Private Child Placing Agencies

Revisions for Reporting 9-30-18

The following list identifies the changes in the Private Child Placing Agency (CPA) Handbook for State of Michigan fiscal year 2018 reporting.

Part 4: Explanation of Common Terms (page 10)

- 1- Exits From Employment – Revised the basis of measuring “exits from employment.” Changed from the “full time equivalents” basis to the “number of positions” basis (also noted in Section 6 below).

Part 5: Completing the Annual Cost Report

Section 2: Operating

- 1- Occupancy – Buildings & Real Estate: (page 17)
 - a. Updated the section title from “Occupancy” to “Occupancy – Buildings and Real Estate” to better describe the nature of this category.
 - b. Emphasized that the payment of rental costs should be “at arm’s length” to third parties.
- 2- Operations – Buildings & Real Estate: (page 18)
 - a. Updated the section title from “Operations” to “Operations – Buildings and Real Estate” to better describe the nature of this category.
- 3- Equipment: (page 20)
 - a. Updated the description of equipment to align with federal regulations which describe equipment as “tangible personal property” with a useful life of “more than a year.”
- 4- Supplies: (page 20)
 - a. Updated the description of supplies to align with federal regulations which describe supplies as “tangible personal property” with a useful life of “less than a year.”
- 5- Contracted Business Services: (page 22)
 - a. Updated Indirect/Administrative Costs to include the following:
 - i: Wire fees for the transfer of cash.
 - ii: Insurance policy premiums required by the contract including: 1) commercial general liability, 2) umbrella excess liability, 3) cyber liability, and 4) professional liability (errors and omissions).

Section 4: Miscellaneous

- 1- Miscellaneous: (page 27)
 - a. Emphasized that the miscellaneous category of costs (if reported) is limited and must align with the miscellaneous cost items published in the handbook. The term “miscellaneous” *should not* and *does not* imply that this category is the place to report “any” or “all” costs types.
 - b. Updated/limited Membership dues (item f) to Family Foster Treatment Association (FFTA) membership only. Also, only placing agencies which are party to a Treatment Foster Care (TFC) contract may report membership dues.

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- c. Added "initial training costs" (item j) of foster parents required to be provided by the placing agency.
- d. Clarified that non-reportable "interest on borrowed capital" does not include "interest for facility occupancy."

Section 6: Reporting Program Statistics

1- Number of Employee Exits: (page 31)

- a. Revised the basis of measuring "exits from employment." The measurement basis changed from a "full time equivalent" basis to a "number of employees" basis.