

REIMBURSABLE COST MANUAL (RCM)
July 2019 edition
July 1, 2019 – June 30, 2020

Crosswalk of Changes

Please use the following guide to reference content changes by section of the July 2019 edition of the Reimbursable Cost Manual, as compared to the July 2017 edition of the Reimbursable Cost Manual.

SECTION II – COST PRINCIPLES

1. **Page 15;** 9. Capital Expenditures(A)(2) Purchases of furniture, fixtures or equipment: For proposed purchases of equipment, furniture and fixtures, three (3) estimates must be provided for items which cost more than \$20,000 (**changed from \$5,000**) and have a useful life of more than two years.
2. **Page 22-23;** (e) **Rewording of paragraph:** Costs of education or training necessary for an employee to meet minimum qualifications for the position for which he/she was hired are not reimbursable. If an employee is hired for a direct care position (as defined by the Reimbursable Cost Manual's Appendix A-1) and meets the minimum qualifications of his/her title, student loan repayment assistance is reimbursable.
3. **Page 29;** Fines and Penalties (21) Fines and penalties resulting from violations of or failure by, the entity to comply with Federal, State and/or local laws and regulations, and **punitive damages** are not reimbursable.
4. **Page 31;** Revenues and expenditures related to the Excessive Teacher Turnover Prevention (**no longer a grant**) **Program** (ETTPP)...
5. **Page 43;** Retained earnings or surpluses of tuition revenues over reimbursable expenses must be spent on allowable costs pursuant to the Reimbursable Cost Manual in effect for the year in which the expenses are incurred. Note: an owner's draw of surpluses is not an expense.
6. **Page 44-45 Language on SEIT group and SCIS Collaborative agreements:**
 - Reporting Group SEIT Sessions: for purposes of reporting mandated and delivered SEIT units in the financial reports to the Rate Setting Unit, group sessions should be prorated as follows:
 - Mandated Group Sessions: Programs should prorate mandated group SEIT sessions based on the number of students enrolled in the group. For example, if a student is enrolled for SEIT services in a group of two, that student's group session should be counted as a .50 session when determining the total mandated billable units of service to report. If a student is enrolled for SEIT services in a group of three, that student's group session should be counted as .33 sessions when determining the total mandated billable units of service to report. Ultimately, each half hour group SEIT session should be reported as one mandated session regardless of the number of students enrolled in that group session (1-3).

- Delivered Group Sessions: Programs should prorate delivered group SEIT sessions based on attendance in the group. For example, if a student is enrolled to receive SEIT services in a group of two, and both students were in attendance for the session, each student's group session should be counted as a .50 session when determining the total number of SEIT sessions provided. If only one student was in attendance for the group of two SEIT session, that group of two SEIT session should be counted as a 1.0 session for the student who was in attendance and as a 0.0 session for the student who was not in attendance. Ultimately, each half hour group SEIT session should be reported as one delivered session regardless of the number of students who were actually in attendance for the session (0-3).
- Special Class in an Integrated Setting (SCIS)
 - A SCIS provider that operates both the preschool special education and the early childhood program, such as a private child care, Head Start program, or State Administered Pre-Kindergarten program, is directed to report all cost and enrollment data related to the preschool students with disabilities and preschool students without disabilities under a single program code. In order to be eligible for reimbursement, all reported expenses must meet the specific standards of the RCM and CFR manual pertaining to allowable costs, including the recordkeeping and supporting documentation requirements.
 - If the early childhood program component of a SCIS program is satisfied through collaboration with a Head Start, separate child care agency or separate State Administered Pre-Kindergarten program, the revenue, expenses, and enrollment data associated with the students without disabilities is not reported under the approved SCIS program. Rather, the SCIS program and early childhood program report costs separately and operate an integrated program pursuant to a collaborative agreement, which outlines the programmatic and fiscal responsibilities of each provider. In order to comply with the recordkeeping requirements for contractual agreements, as detailed in this RCM, collaborative agreements must be "in writing, signed, and dated." Program related costs contained within a collaborative agreement are reimbursable to the extent that each specific expense would otherwise be allowable pursuant to this RCM including but not limited to the following:
 - the collaborative agreement must provide specificity with respect to the expenses shared under the agreement (e.g. facility space, utilities, shared staff, supplies, administrative support, etc.) and the amount of consideration paid by the SCIS program for these expenses.
 - the standard of review for whether an expense is reimbursable for a SCIS program reporting the actual costs it pays as part of collaborative agreement is the same standard applicable to the actual costs reported by a SCIS program that operates both the preschool special education and early childhood program components: expenses must be "reasonable, necessary and directly related to the education program" and "have adequate substantiating documentation."
 - the RCM provisions pertaining to Less-Than-Arms-Length transactions are applicable to SCIS collaborative agreements between related parties.

7. **Taxes: Page 47;** In general, taxes that the entity must pay and that are charged to a program (such as water, school or property tax) are reimbursable if they are paid or accrued in accordance with generally accepted accounting principles. Payments made to local governments in lieu of taxes commensurate with services received are reimbursable. **For Profit Entities only: the payment of minimum New York State Corporation Franchise Tax or similar business tax is reimbursable. For Profit Entities must perform calculations on 1) business income 2) business capital and 3) fixed dollar minimum tax. Whichever calculation yields the highest amount determines how much an entity would be required to pay as their minimum New York State Corporation Franchise tax. Such costs will be subject to the non-direct care cost parameter.**
8. **Travel: Page 48-49;** For purposes of reimbursement, a luxury vehicle is described as a car that exceeds a sales price of **\$43,000** in accordance with the **2019 KBB definition for midsize** luxury passenger cars. If the Commissioner determines that an automobile is a luxury car, the added expense of owning or operating such a vehicle will not be reimbursed.

SECTION III– RECORD KEEPING

9. **Payroll: Page 50;** Employee time sheets **must be signed or electronically approved and dated by the employee and employee’s supervisor or personnel authorized to approve/date employee timesheets** and must be completed at least monthly.