

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).

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.