



State of Connecticut
Department of Developmental Services



Dannel P. Malloy
Governor

Terrence W. Macy, Ph.D.
Commissioner

Joseph W. Drexler, Esq.
Deputy Commissioner

**Operations Center
Memo 2013-02**

TO: Private Providers of Residential and Day Services

FROM: Peter Mason, Operations Manager

CC: Terrence Macy, Ph.D, Commissioner, Joseph Drexler, Deputy Commissioner, Regional Directors, Assistant Regional Directors, Resource Administrators, Mary Fuller, CCPA, CAN, ARC/CT

DATE: August 13, 2012

SUBJECT: 2012 Annual Report of Residential and Day Services Software and User's Guide

Annual Report for Residential and Day Services Requirements

Financial Reporting Requirement:

An agency with a Purchase of Service contract that exceeds \$300,000 is required to file the 2012 Annual Report of Residential and Day Services for the fiscal year ended June 30, 2012. The report must be filed no later than 4:00 p.m. on October 15, 2012 to the office of:

Craig J. Lubitski Consulting, LLC

Founders Plaza

225 Pitkin Street

East Hartford, Connecticut 06108

- For-Profit providers are required to submit an Annual Report that has been audited.
- Non-profit providers are required to 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 2012 Annual Report software. The reconciliation

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assures the State of Connecticut that the expenses reported in the Annual Report are based on the audited costs reported in the Financial Statements.

- 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. The request for an extension should be sent to the attention of Commissioner Macy in writing and prior to October 15, 2012. 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.

Financial Audit Requirements

- Providers 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, 2012.
- Non-profit corporations with a total financial reimbursement in excess of \$300,000 by a fiscal intermediary and/or through a purchase of service contract for supports authorized by the Department of Developmental Services with an annual Purchase of Service contract are subject to the Single Audit Act. The State Single Audit Reports are due to the Office of Policy and Management (OPM), who is the cognizant agency for DDS. A copy must be submitted to the Operations Center at DDS Central Office by December 31, 2012 for the fiscal year ended June 30, 2012, unless an exemption or extension was granted by OPM.

Items of Note for the FY 2012 Annual Report for Residential and Day Services

The following is a list of items to be aware of when completing the FY 2012 Annual Report. Please consult the instructions included with the Annual Report CD for additional information regarding the Annual Report.

- 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 multi-state providers and the allocation of the Connecticut portion of the Executive Director's salary.
- Starting with the FY 2012 Annual Report, 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 cost settlement. Since this change was issued late in the fiscal year, those agencies that included CLA maintenance costs as part of their FY 2012 Operational Report will have their cost settlement calculations adjusted for FY 2012. Providers will need to submit a separate schedule along with the submitted annual report detailing the audited cost of the CLA maintenance expenses and the identified category in the FY 2012 Operational Report where those costs were included.
- The amount of the cost settlement will be 100% of the difference between the total DDS revenue reported on the Payment Letter for FY 2012 prepared by DDS Operations Center minus the total DDS expenses reported on the FY 2012 Annual Report for all DDS programs.
- The allowable limit for lease/loan/rental payments for each administrative vehicle is \$4,800 per year. This applies to the annual payment for the acquisition of the vehicle exclusive of gas and maintenance costs.
- 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.