

TO BE RESCINDED

5101:2-47-26.1 **Public children services agencies (PCSA), private child placing agencies (PCPA), private noncustodial agencies (PNA): monitoring Title IV-E cost report filing, record retention requirements and related party disclosure requirements.**

(A) As a condition for receiving a Title IV-E foster care reimbursement ceiling amount, each public children services agency (PCSA), private child placing agency (PCPA) and private non-custodial agency (PNA) shall file a Title IV-E cost report including supplements and attachments with the Ohio department of job and family services (ODJFS). The Title IV-E cost report shall be filed in accordance with the requirements set forth in rule 5101:2-47-24 of the Administrative Code.

(1) Prior to July 1, 2003, the Title IV-E cost report shall cover a calendar year ending December thirty-first or the portion of the calendar year during which the PCSA, PCPA or PNA participated in the Title IV-E foster care program.

(2) Beginning July 1, 2003, the Title IV-E fiscal year cost report shall cover a twelve month period ending June thirtieth or the portion of the state fiscal year the PCSA, PCPA, or PNA participated in the Title IV-E foster care program. The Title IV-E fiscal year cost report filing requirements are as follows:

(a) The deadline for filing the Title IV-E cost report for period July 1, 2003 through June 30, 2004, is December 31, 2004.

(b) The deadline for filing the Title IV-E cost report for the period July 1, 2004 through June 30, 2005, is December 31, 2005.

(c) The deadline for filing the Title IV-E cost report for the period July 1, 2005 through June, 30, 2006, is December 31, 2006.

(d) Beginning July 1, 2006, the deadline for filing the Title IV-E cost report for each state fiscal year ending June thirty is December thirty-one of the calendar year that includes the June thirty fiscal year end date.

(3) For the six-month period January 1, 2003 through June 30, 2003, a six-month Title IV-E cost report reflecting cost for the six-month period January 1, 2003 through June 30, 2003 shall be filed with ODJFS by December 31, 2003.

(B) For good cause and upon the written application of the PCSA, PCPA, or PNA, ODJFS may grant an extension of the cost report filing deadline.

- (1) The written application must be filed prior to the deadline specified in paragraph (A) of this rule and must include information explaining the facts and circumstances giving rise to the need for a cost report extension, projected time line for filing the cost report and any other information which the PCSA, PCPA, or PNA would like to have considered.
 - (2) Upon reviewing the written application, ODJFS may at its sole discretion approve or deny the extension. If ODJFS grants an extension, it will issue to the PCSA, PCPA, or PNA a cost report extension approval letter.
- (C) ODJFS shall establish a desk review process designed to provide reasonable assurance that reported cost are allowable, reasonable, related to foster care and presented fairly in accordance with Administrative Code rules. ODJFS will:
- (1) Notify the PCSA, PCPA, or PNA of any information on the cost report that requires further clarification and/or documentation. Within fifteen days from receipt of notice the PCSA, PCPA, or PNA shall submit the supporting documentation requested by ODJFS and may submit any additional information that it believes supports the reported costs;
 - (2) Notify each PCSA, PCPA and PNA of whether any of its reported costs are unallowable and the rate that results from that determination;
 - (3) Establish a Title IV-E rate for each PCSA, PCPA, or PNA that passes the desk review process. No Title IV-E rate will be established for any PCSA, PCPA, or PNA that does not pass the desk review process;
 - (4) Issue a Title IV-E approval rate letter to each PCSA, PCPA, PNA that has passed the desk review process. The rate letter will reflect the allowable Title IV-E maintenance rate, the allowable Title IV-E administration rate and the effective date of the rates;
 - (5) Publish an annual Title IV-E rate roster of the approved PCSAs, PCPAs, PNAs and their title IV-E rates by September first of each calendar year.
- (D) PCSAs, PCPAs, or PNAs new to the Title IV-E foster care program must submit a cost report within ninety days after the end of the provider's first three full calendar months of operations.
- (E) Notwithstanding the three-year records retention period, cost must be supported by all relevant documentation related to the reported cost. Financial records, census

records, client records and documentation of legal compliance with administrative code requirements (all of which shall be made available upon request by ODJFS, the Ohio office of the auditor of state or the U.S. department of health and human services) supporting the cost reports or claims for services rendered to recipients shall be retained for the greater of three years after the cost report is filed, or if an audit has begun within the three year period records shall be retained three years after all appeal rights relating to the audit report are exhausted.

(F) When completing the JFS 02909 "Residential Child Care Facility Cost Report" or the JFS 02910 "Purchased Care Cost Report," the PCSA, PCPA or PNA shall comply with the following requirements pertaining to related party transactions:

- (1) Each PCSA, PCPA, or PNA, shall have a conflict of interest policy, which shall include at a minimum that the PCSA, PCPA, or PNA shall not permit funds to be paid or committed to any corporation, firm, association or business in which any of the members of the governing body of the agency, executive personnel or their immediate families have any direct or indirect financial interest, or which any of these persons serve as an officer or employee, unless the services or goods involved are provided at a competitive cost or under terms favorable to the PCSA, PCPA or PNA;
- (2) Adherence to the internal control procedures established by the agency's governing body, for the procurement of goods and services, so long as those procedures are consistent with paragraph (F)(1) of this rule;
- (3) Approval by the governing body of all transactions with any member of the governing body or relatives of the governing body;
- (4) Documentation in the board minutes of all transactions between the agency and any member of the governing body or their relatives;
- (5) All compensation paid to board members or relatives of the board members shall be disclosed on the cost reports and is subject to a test of reasonableness;
- (6) On the cost report, the PCSA, PCPA or PNA is required to disclose all related party transactions as defined in paragraph (F)(1) of this rule and all loans to employees.

(G) Beginning with the cost report ending December 31, 2002, ODJFS shall issue the cost report forms, or appropriate software to the PCSAs, PCPAs and PNAs no later than thirty days following the end of the cost reporting period.

- (1) If ODJFS delays the release of the cost report form, then the deadline for the PCSA, PCPA, PNA to file the cost report shall be extended accordingly; and
 - (2) ODJFS shall notify the providers, in writing, of the new filing deadline.
- (H) Beginning with the cost report filed for the state fiscal year July 1, 2003 through June 30, 2004, PCSAs, PCPAs, and PNAs shall file a single cost report form with each respective state agency (i.e., ODJFS and, where applicable, the Ohio departments of mental health, alcohol and drug addiction services) that it applies to for reimbursement. PCSAs, PCPAs, and PNAs that file a single cost report with more than one state agency shall have a consolidated audit of the cost report based upon the agreed upon procedures set forth by the respective state agency. The single cost report form shall be distributed by ODJFS.

Effective: 07/01/2004

R.C. 119.032 review dates: 04/12/2004

CERTIFIED ELECTRONICALLY

Certification

06/18/2004

Date

Promulgated Under: 119.03
Statutory Authority: 5103.03, 5153.16, 5101.141
Rule Amplifies: 5103.03, 5153.16, 5101.141
Prior Effective Dates: 4/15/88 (EMER), 7/11/88,
9/1/89 (EMER), 11/30/89,
5/1/98, 9/1/03