

Chapter 4-B **Instructions for Filing Long-Term Care ICF/IID Cost Report**

4-1B Instructions

The DHS-750 cost reporting forms described below must be used by all ICF/IID long term care facilities participating in the Arkansas Medicaid Program. Medicare (Title XVIII) cost reporting forms are not acceptable in lieu of these forms. The forms can be found in **Section V** of the Arkansas Medicaid Provider Manuals by clicking the hyperlink.

4-2B General Information

These instructions are for use in the preparation and submission of the cost report to the Division of Medical Services by all ICF's/MR providing care and services under the Medical Assistance Program. Nursing Facilities will use the Nursing Facility Financial and Statistical Report, DOM-400 and applicable instructions.

All dollar amounts must be rounded to the nearest dollar (no cents) upon transfer to the cost report. For ICF's/MR, only per diem cost amounts calculated on Form 2, Line 11 and Form 8, Lines 4 and 5 will be reported/calculated in cents.

Detailed schedules, calculations and descriptions for all cost report adjustments must be attached to the submitted cost report.

Cost report forms which are not applicable to a facility must be submitted with the other forms and identified as "Not Applicable" or "NA" on the unused form.

4-3B Instructions for Cost Report Forms

A. Form 1 Certification

The "Certification By Officer or Administrator of Provider(s)" section must include an original signature (not a copy) by an authorized officer or the Administrator of the facility. The cost report will not be deemed received by the Division of Medical Services if this certification has not been completed. No signature under the "Opinion of Accounting Firm" section is required unless the period covered by the cost report was audited by a Certified Public Accountant, Public Practicing Accountant, or accounting firm engaged to audit and prepare the financial statements and/or report. Outside accountants preparing the cost report without audit must instead submit a signed "Disclaimer of Opinion" or "Compilation of Report." If an accountant employee/officer/other employee of the facility prepared the cost report, the name, address, and telephone number of the preparer must be reported even though that person's signature is not required.

B. Form 2 Summary Schedule

1. Part A

Please check the appropriate block which applies to your facility.

2. Part B

Please check the appropriate accounting basis used to complete the cost report. Non-governmental facilities must use and check the accrual block. Governmental facilities can use either the cash or accrual basis.

3. Part C - Statistical Data and Per Diem Calculation

a) Lines 1 and 2

Identify the number of beds available during the year. Temporary changes because of alterations, repairs, etc., do not affect the bed capacity.

b) Line 3

Calculate by multiplying the number of beds available for the period by the number of days in the period. Any increase or decrease in the number of beds must be taken into consideration as well as the days elapsed during such an increase or decrease.

c) Line 4

Identify the actual total resident days for the reporting period.

d) Line 5

The percent occupancy is calculated by dividing Line 4 by Line 3. The decimal place should be carried to four places. Example - 95.31%

e) Line 6

Complete Line 6 only if Line 5 is less than 85%. Resident days at 85% occupancy is calculated by multiplying Line 3 by 85%.

f) Lines 7, 8, and 9

These lines are self-explanatory. This information is requested for statistical purposes.

g) Line 10

Upon completion of Form 5, enter on Line 10 the total allowable costs from Form 5, Column 9.

- h) Line 11
Calculate the per diem cost by dividing the allowable cost on Line 10 by the actual resident days for the period on Line 4 if the total occupancy per Line 5 is 85% or greater. If the occupancy percentage per Line 5 is less than 85%, complete Form 8 and bring the per diem amount calculated on Form 8, Line 5 forward to Form 2, Line 11.

C. Form 3 Revenues and Adjustments to Revenues

All revenue is to be entered in Column 1 on this schedule and should agree with the revenue recorded in the general ledger. Revenue adjustments to expenses should be identified in Column 2. These adjustments are made to reduce the applicable expense by any revenues received for that expense. For example, any revenues received from the sale of medical supplies (Line 3) should be used to reduce medical supplies expense (Form 5, Line 10) because the expenses related to these sales are included in total expenses. Suggested line numbers for the adjustments to be made on Form 5 are listed. However, if a different line number must be used to make an adjustment to the proper expense line, cross out the suggested line number and identify the actual line number adjusted.

Line 31 will be used to record net adjustments due to related party transactions and excess owners', partners' and stockholders' compensation. These adjustments are recorded in Column 6 of Form 5.

D. Form 4 Adjustments to Expenses

Adjustments to expenses are separated into two categories:

- 1) Non-reimbursable expenses
- 2) Expenses not allowed - unless directly related to resident care

Complete all lines applicable to your facility that require adjustment. Not all possible adjustments may apply to your particular facility. Additional lines are also provided on this form for other adjustments your facility may need to make which are not included in the listing.

Enter the amounts in the adjustment column next to the applicable line item description. These amounts will then be entered on Form 5, Column 6, as adjustments to the expenses per the general ledger descriptions. Suggested line numbers for the adjustments to be made on Form 5 are listed. However, if a different line number must be used to make an adjustment to the proper expense line, cross out the suggested line number and identify the actual line number adjusted.

E. Form 5 Allowable Cost Allocation

The cost centers on Form 5 are broken down into the following:

- A) Room and Board
- B) Health Care
- C) Maintenance and Operations
- D) General Administration
- E) Provider Fee
- F) Other Costs

Line item expense descriptions are listed under each cost center. Enter the general ledger expense balances in the first three columns. Do not net general ledger expense balances by omitting from the first three columns any non-allowable activities. These adjustments are to be made in Columns 5 and 6 and reported on Forms 3 and 4, respectively.

If the facility's general ledger includes expense accounts which are not listed on Form 5, fill them in on the extra lines provided. It is not necessary to list every expense account on a separate line. If several expense accounts need to be added and their total amount is not large in relation to other amounts in that cost center, a line item for "miscellaneous" or "other" may be added to indicate the total of these amounts. A schedule should be attached identifying the breakdown of the individual expense account names and amounts. Any large expense account to be added should be shown as a separate line item. If the general ledger does not contain a breakdown for some of the line item expenses listed on Form 5, it is acceptable to combine some of the amounts. Clearly mark which items have been included as on line item total.

Column 1 will contain the amount of the gross salaries applicable to each line item.

Column 2 is the employer's fringe benefits paid on behalf of the employees. This would include such items as the employer's share of FICA, health insurance, life insurance, etc. Apportion the fringe benefits to various expense centers based on the percentage of salaries and wages in each expense center. If a more accurate method is determined, it will be acceptable as long as it is documented.

Column 3 is all other expenses. In addition to other expenses, this column should include the cost of contractual services, in-service education costs, and related equipment and supplies expenses.

Column 4 is the total of Columns 1 through 3. The total of Column 4 must agree with the total expenses per the general ledger.

Column 5 and 6 are the adjustments to revenue and expense brought forward from Forms 3 and 4.

Column 7 is the total expenses shown in Column 4 plus or minus the adjustments to revenue (Column 5) and expense (Columns 6).

Column 8 represents allocation of overhead costs supporting direct costs disallowed. All unallowable cost activities must also bear a proportionate share of indirect costs (overhead) supporting these activities. For example, the Manual establishes the cost center line item “Gift, flower, coffee shop” as an unallowable cost, therefore, the allocable share of overhead supporting these activities must be deducted in arriving at allowable costs. Adjustments to allowable overhead must be made for all direct costs disallowed as result of provider adjustment, desk review, or audit.

Instructions for Column 8 follow:

Computation of Allocation Factor

- 1. Total Direct Care Costs
(Form 5, Column 4, Line 5 + Line 23) \$ _____

- 2. Unallowable Direct Costs
(Form 5, Column 6, Line 5 + Line 23) \$ _____

- 3. Unallowable Direct Costs divided by
Total Direct Costs (Item 2 divided by
Item 1; carry to four decimal places) _____ %

Allocation of M&O and G&A

Lines 24 through 29 and 31 through 37 Column 7, Form 5, are to be reduced by the computation made by multiplying the percentage from Item 3 above by each of the lines on Form 5, with the resulting figure placed on the corresponding line on Form 5, Column 8.

Example: Line 31, Column 7, on Form 5 = \$10,000

Percentage determined in the calculation above = 3%

Form 5 would reflect:

	<u>Column 7</u>	<u>Column 8</u>	<u>Column 9</u>
Line 31	\$10,000	\$ 300	\$ 9,700

Column 9 is the net adjusted allowable costs calculated by subtracting Column 8 amounts from Column 7 balances.

1. Room and Board

Line 1, Dietary

Dietitian's salary, kitchen and dining room wages, kitchen and dining supplies, services.

Line 2, Food

Cost of unprocessed food. Cost of preparation and serving are to be recorded on Line 1.

Line 3, Laundry and Linen

Wages of laundry, ironing and sewing help, laundry soaps and supplies, outside laundry service.

Line 4, Unassigned

(ICF/IID 16 Bed Private; Expense included in this line should meet the criteria for the Administrative and Operating Cost Category)

Line 5, Total Room and Board

2. Health Care

Line 6, Nursing

Salaries of nurses, wages of aides and orderlies, supplies, dressings, thermometers, etc.

Line 7, Physician

Salaries, services, supplies. This would include the Medical Director.

Line 8, Unassigned

(ICF/IID 16 Bed Private; Expense included on this line should meet the criteria for the Direct Care & Care Related Cost Category)

Line 9, Pharmacy

Salaries of pharmacists, (or cost for pharmacy consultant). Non-allowable drugs and medications reported in the general ledger columns must be adjusted out using Columns 5 and/or 6. Allowable non-prescriptions medications should be listed on Line 10.

Line 10, Medical Supplies

Medical supplies furnished by the facility as part of required medical or nursing care, as ordered by a physician.

Cost associated with point of care software applications.

- Cost of operating a point of care software application that does not require capitalization.
- Depreciation of capitalized cost associated with a point of care software application reclassified from Line 26.
- Interest expense associated with a point of care software application reclassified from Line 35.
- Equipment rental associated with a point of care software application reclassified from Line 21.

Line 11, Laboratory

Salaries and supplies, or purchased services.

Line 12, X-Rays

Salaries of technicians and supplies or purchased services.

Line 13, Physical Therapy and Rehabilitation

Salaries and therapeutic supplies for physical therapy, occupation therapy and purchased services.

Line 14, Social Service

Salary or agreement cost of social workers and support staff used on a full or part-time basis to provide social services required and performed by the facility.

Line 15, Resident Activities

Cost of resident activities should include recreational activities and pastoral activities.

Line 16, Volunteer Services

Cost of supporting services and staff functions related to the use of volunteers which are resident related and are for improving resident care.

Line 17, Gift, Flower, Coffee Shop

Costs of non-resident related services. Include beauty and barber shop, etc., on this line. These are non-allowable expenses and no profit or loss should affect the allowable cost; therefore, it is necessary to completely eliminate these items. Expenses listed in Columns 1, 2, and 3 for this line will be adjusted to zero by an entry of the same amount in Column 6. A zero is already shown in Columns 7 and 9 for this item.

Line 18, Personal Purchases for Residents

Same as policy for Line 17, applies for personal purchases for residents.

Line 19, Oxygen

Cost of Oxygen, its administration, and related medications.

Line 20, Incontinence

Cost of supplies.

Line 21, Equipment Rental

Cost of renting any equipment necessary for resident care.

Rent expense associated with point of care software applications must be reclassified to Line 10.

Line 22, Unassigned.

(ICF/IID 16 Bed Private; Expense included on this line should meet the criteria for the Administrative and Operating Cost Category)

Line 23, Total Health Care.

3. Maintenance and Operation

Line 24, Housekeeping

Wages of housekeepers and maids, housecleaning supplies.

Line 25, Plant Operations, Maintenance, and Utilities

Utilities, repairs, engineers' salaries, handyman wages, contractual repairs, maintenance supplies. Utilities include water, sewer, garbage and waste disposal, electricity, heating fuel, and cable TV.

Line 26, Depreciation and Amortization

Total straight-line depreciation and amortization. The detail of depreciation and amortization is shown on Form 6. The total of the detailed schedule should agree with the depreciation shown on this line.

Depreciation expense associated with point of care software applications must be reclassified to Line 10.

Line 27, Rent

Rentals paid for buildings, equipment and land used in the operation of the facility.

Line 28, Real Estate Taxes and Insurance

School taxes, other taxes on land and buildings, capital stock tax, insurance, etc.

Line 29, Unassigned

(ICF/IID 16 Bed Private; Expense included on this line should meet the criteria for the Administrative and Operating Cost Category)

Line 30, Total Maintenance and Operation

4. General Administration

Line 31, Salaries

Administrator's salaries, officers' salaries, and wages of general administrative personnel.

Line 32, Professional Services

Legal fees, outside accounting, data processing, management services, etc.

Line 33, Insurance

Officers' life insurance.

Line 34, Travel and Education

Seminars and educational programs. Any cost related to a particular cost center should be apportioned to that cost center. For example, the travel expense of a nurse should be included in the health care cost center and not with this line.

Line 35, Interest

Interest expense incurred on short-term and long-term loans and mortgages.

Interest expense associated with point of care software applications must be reclassified to Line 10.

Line 36, Other General Administrative Expenses

This line is provided to cover costs for such various general administrative expenses as office supplies, telephone, postage, bank service charges, dues, licenses, subscriptions, advertising, etc. Attach a schedule listing the account names and amounts used for this total.

Line 37, Unassigned

(ICF/IID 16 Bed Private; Expense included on this line should meet the criteria for the Administrative and Operating Cost Category)

Line 38, Total General Administration

5. Provider Fee

Line 39, Provider Fee

Cost of the provider fee paid monthly to the Department of Human Services.

6. Other Costs

Line 40, Federal and State Income Taxes

Federal and State Income Taxes (not personal taxes). These are non-allowable expenses and should be adjusted to zero by an entry of the same amount in Column 6. A zero is already shown in Columns 7 and 9 for this item.

Line 41, Utilization Review (UR) and Medical Review
Reimbursement to physicians on the UR committee and other staff functions related to implementing the facility's UR plan.

Line 42, Total Other Costs

Line 43, Total All Costs

Line 44, Total Compensation-Administrator
This section on the bottom of Form 5 is for Administrator's salary, fringe benefits, and other reimbursed costs.

This listing is to be used only as a guideline and is not all inclusive for all expenses that are to be included in an expense account.

F. Form 6 Schedule of Fixed Assets and Depreciation

1. Date Acquired
Identify the month/year in which the equipment was acquired. Use "various" if the assets were acquired in many different years.
2. Cost or Other Basis
Enter the actual cost of the assets.
3. Salvage Value
Identify salvage value if used.
4. Depreciable Base
Cost or other basis less salvage value.
5. Accumulated Depreciation
Enter the totals of depreciation claimed this period plus the total accumulated depreciation from the prior year. The total of this column will agree with the amount of Accumulated Depreciation reported on Form 10, Current Year Column, Line 12.
6. Life or Rate
Enter the number of years or the equivalent rate over which the asset is being depreciated. In the case of many different lives in any classification of assets, enter "various".
7. Depreciation Claimed this Period
Calculate by dividing the depreciable base by the useful life. The total of this column should agree with the amount reported on Form 5, Line 26, Column 7.

G. Form 7

1. Facility Transactions with Businesses Having Common Ownership

The purpose of this schedule is to identify costs for which reimbursement is claimed for services or supplies furnished to the facility by related organizations as described in Section 3-1.F.2.

The line number column is used to identify which Form 5 line number includes the related party expense. Balance sheet items should be referenced to the proper line on Form 10. Provide the amount, the name of the related business, the percentage ownership the related business has in the facility, or the percentage of ownership the facility has in the related business as indicated by the column headings.

2. Rental of Property, Plant and Equipment

List any leases pertaining to the property, plant and equipment. Identify the leased item, the amount of rent applicable to the current reporting year and the terms of the lease including the amount of the monthly payment, the interest rate, the life of the lease, and the effective date of the lease.

If rental/lease costs claimed on Form 5 are different from the facility's actual costs due to allowable reimbursement limits, state the difference and specify the reason. Identify rentals/leases for which the costs to the related organization are claimed instead of the lease payments.

H. Form 8 Computation of Per Diem Rate For Facilities With Less Than 85% Occupancy

This form is to be used only if the total occupancy rate was below 85%. If the occupancy level was below 85%, the lower level of occupancy will apply to variable cost. The fixed cost will have to be adjusted to an 85% occupancy level.

Separate allowable costs between fixed and variable costs. To calculate a per diem, divide total variable costs by actual resident days and divide total fixed costs by the resident days at 85%. Total the per diem for variable costs and the per diem for fixed costs to obtain the total per diem. Enter the total per diem on Form 2, Line 11.

I. Form 9 Schedule of ICF/IID Private Pay Rates

This form should be completed by listing the facility's private pay rates during the reporting period. If a change of rates occurred during the period, list each rate

structure and the dates the rates were in effect. The rates may be shown either as per diem or monthly charges.

J. Form 10 Comparative Balance Sheet

1. Line 1, Cash on Hand and in Banks
Includes all funds actually on hand or in bank accounts subject to immediate withdrawal. Savings deposits, certificates of deposit, etc., are to be classified under investments.
2. Line 2, Accounts and Notes Receivable
Represent monies due the facility for services rendered to residents or amounts due from creditors, (i.e. notes receivable, advances, etc.) as of the balance sheet date. The dollar amount recorded on the schedule will represent gross accounts and notes receivable less accounts and notes receivable from related parties and less, if so recorded, an allowance for uncollectable accounts and notes receivable.
3. Line 3, Accounts and Notes Receivable From Related Parties
Represent amounts owed the Facility by related parties as of the balance sheet date.
4. Line 4, Inventories
Designate those goods awaiting sale or use, and exclude those long-term assets subject to depreciation. Inventories are normally conservatively priced at the lower of "cost or market" values. List the method at which the inventory is priced in space provided. Inventories may include dietary supplies, housekeeping and linen, other, etc. in accordance with the practice in each individual facility.
5. Line 5, Investments
Investments are normally permanent or long-term securities with value, but are normally not available for immediate withdrawal. Investments include stocks and bonds, savings accounts, certificates of deposit, etc.
6. Line 6, Prepaid Expenses and Deposits
Prepaid expenses represent the portion of the expenditures which will be carried forward into the next accounting period. Examples of prepaid expenses include membership dues, insurance premiums, rent, service contracts, etc. Utility deposits are examples of deposits.
7. Line 7, Total Current Assets
Total of Lines 1 through 6.

8. Line 8, 9, 10, 11, and 12, Property, Plant and Equipment
Includes the following classifications: Land, Buildings, Leasehold Improvements, and Equipment. The total accumulated depreciation for all classifications should be entered on Line 12. Lines 8 through 12 must agree with the amounts entered on the depreciation schedule on Form 6. Equipment should be divided into departmental equipment, office furniture and fixtures, and transportation equipment on the detailed depreciation schedule on Form 6.
9. Line 13, Total Property, Plant and Equipment
Total Property, Plant and Equipment is the net book value of the property, plant and equipment listed on Lines 8 through 11 less the allowance for depreciation on Line 12.
10. Line 14, Total Assets
Total assets is the Total Current Assets plus the Total of the Property, Plant and Equipment (Line 13).
11. Line 15, Accounts Payable
Represents liabilities on daily transactions normally kept on open account for goods and services purchased. This amount should exclude accounts payable to related parties.
12. Line 16, Accounts Payable to Related Parties
Represent liabilities kept on open account and owing related parties.
13. Line 17, Notes Payable
Represents amounts due creditors other than related parties and normally evidenced by written instruments and due within one year from the end of the reporting period.
14. Line 18, Notes Payable to Related Parties
Represents amounts such as loans due to related parties and evidenced by written instruments. Amount shown should be due within one year from the end of the reporting period.
15. Line 19, Accrual Salaries, Wages, Fees Payable
Represent the salaries and wages earned by employees but not paid during the accounting period. To be recognized as an allowable expense, accrued salaries must be paid within 30 days after the close of the cost reporting period.
16. Line 20, Deferred Income
Deferred Income is a liability if revenue is received before it has been

earned. Services which will be rendered in a future accounting period for which monies have been collected is an example of deferred income.

17. Line 21, Total Current Liabilities
Total of Lines 11 through 16.
18. Line 22, Mortgage Payable
Mortgage Payable is the amount of any mortgages due over one year from the end of the current reporting year. The current portion of a mortgage due within one year should be included in Current Liabilities.
19. Line 23, Notes Payable
Includes all notes owed creditors other than related parties and due over one year from the end of the current reporting year.
20. Line 24, Notes Payable to Related Parties
Includes the portion of notes owed to related parties and due over one year from the end of the reporting period.
21. Line 25, Other (Specify)
Includes any long-term liabilities that do not fall into the categories of mortgages or notes. The type and amount of these liabilities should be specified and if necessary for clarity detailed on a separately attached schedule.
22. Line 26, Total Long-Term Liabilities
Total of Lines 22 through 25.
23. Line 27, Total Liabilities
Total Liabilities is the Total Current Liabilities (Line 21) plus the Total Long-Term Liabilities (Line 26).
24. Line 28, Owner's Equity
Owner's Equity is for the investment made in the facility by the owner or owners. Use this line for proprietorships and partnerships.
25. Line 29, Capital Stock Outstanding
Represents the investment by the stockholders in the corporation. The amount outstanding on the balance sheet date will be the amount shown. Either Line 28 or 29 will be filled out as applicable to the facility. Both lines will not be used.
26. Lines 30 through 34, Surplus
Includes retained earnings and represents accumulated earnings after all expense and distributions have been paid. The surplus portion of the

balance sheet reflects the surplus at the beginning of the year, the addition of the profit for the year or deduction of the loss for the year, other surplus transactions and the new surplus balance at the end of the year on the balance sheet date.

27. Line 35, Total Liabilities and Capital
Total Liabilities and Capital is the total of Lines 27 and 34. This total amount should equal the amount reported on Line 14 Total Assets.

4-4B Chart of Accounts

<u>CASH</u>	<u>ACCOUNT NAME</u>	<u>ACCOUNT DESCRIPTION</u>
110.00	Cash in Bank – General	Cash on deposit in a checking account at a local bank.
111.00	Cash in Bank – Payroll	Cash on deposit in a checking account used for payroll purposes only. The balance in this account is usually offset by payables for payroll and withholding.
114.00	Cash in Bank – Savings	Cash on deposit in bank or Savings and Loan earning interest income.
116.00	Resident Trust	Funds left with the facility by residents for safekeeping which is either cash on hand or in a checking account on deposit.
118.00	Petty Cash	Amount of cash retained on the premises to meet the daily requirements for small purchases or to make change for residents and visitors.
<u>ACCOUNTS RECEIVABLE</u>		
120.00	Private	Amounts due from Private or self-pay residents.
121.00	Medicare	Amounts billed to the Medicare Title XVIII fiscal intermediary.
122.00	Medicaid	Amounts due from Department of Human Services (DHS).
130.00	Allowance for Doubtful Accounts	Estimate of accounts receivable which will not be collected.
<u>INVENTORY</u>		
135.00	Nursing Supplies	The value of supplies on hand used for the professional care of the resident (i.e., medical and nursing supplies).
136.00	Food	The value of food and food supplies on hand.
137.00	Linen	The cash value of sheets, blankets, pillow cases and gowns on hand.
<u>PREPAID EXPENSES</u>		
145.00	Insurance	Insurance premiums paid in a current period that apply to coverage in a future period.
146.00	Real Estate Taxes	Real estate taxes paid in advance which apply to future cost reporting periods.
147.00	Personal Property Taxes	Taxes levied on furniture and equipment which are paid and applied to future cost reporting periods.
<u>FIXED ASSETS</u>		
151.00	Land - Nursing Home	Cost of land that is used as the site of the facility building.

152.00	Land Improvements	Cost of paving, parking lot improvements, lighting standards, shrubs or other land improvement not attached to the building, but associated with facility's providing resident care.
155.00	Buildings	The cost of buildings used in providing resident care.
156.00	Building Improvements	The cost of any remodeling done to buildings used in providing resident care.
160.00	Equipment	Cost of equipment which has sufficient individuality and size to make feasible control by identification tag or number, (e.g., beds, x-rays apparatus, filing cabinets, typewriters, desks, ovens, freezers).
164.00	Vehicles	Cost of automotive vehicles owned by the facility.
166.00	Leasehold Improvements	The cost incurred by the facility for improvements on rented or leased property used for resident care.

ACCUMULATED DEPRECIATION

170.00	Accumulated Depreciation	Depreciation expense taken during the current as well as prior years on the above assets.
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OTHER ASSETS

181.00	Deposits – Utilities	Amounts on deposit as security with utility companies.
182.00	Deposits – Leases	Amounts on deposit (or last month's rent paid at the beginning of a lease) with lessor as security.
183.00	Organization Costs	Net costs incurred in formation of the business the benefits of which will be received over future periods.
184.00	Goodwill	Difference, recorded on the books of purchaser, between the purchase price and the book value of the net tangible assets of an acquired operating entity. Includes any amounts paid to the seller for the permit of approval licensure, covenants not to compete, etc..

CURRENT LIABILITIES

201.00	Accounts Payable	Amounts due to suppliers for services rendered or supplies received.
205.00	Payroll Payable	Payroll amounts due to employees, not yet paid.
207.00	Resident's Deposits	Amounts owed to residents for funds left with the facility for safekeeping.

PAYROLL WITHHELD

221.00	Federal Income Tax	Amounts of Federal Income Tax withheld from employee's gross pay, not yet remitted.
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222.00	FICA (Social Security)	FICA withheld from employee's gross pay, not yet remitted.
223.00	State Income Tax	Amount of State Income Tax withheld from employee's gross pay, not yet remitted.
226.00	Union Dues	Amount of Union Dues withheld from employee's gross pay.
227.00	Insurance	Amount of insurance premiums withheld from employee's gross pay.

ACCRUAL TAXES

230.00	FICA (Social Security)	Social Security taxes owed by employer in addition to those withheld from employees.
231.00	SUI (State Unemployment)	State Unemployment Insurance payroll tax owed by the employer.
232.00	FUI (Federal Unemployment)	Federal Unemployment Insurance payroll tax owed by the employer.
235.00	Disability	Disability or Workmen's Compensation premiums owed by the employer.

OTHER ACCRUAL TAXES

241.00	Real Property Tax	Amount owed for taxes levied upon the real property (land and buildings) owned by the facility.
242.00	Personal Property Tax	Amount owed for taxes levied upon the personal property (furniture and equipment) owned by the facility.
243.00	Federal Income Tax	Amount due to Federal Government for taxes levied by it on the net income of the facility.
244.00	State Income Tax	Amount due to the state for taxes levied by it on the net income of the facility.
245.00	Sales Tax	Taxes, passed on to customers or residents, levied on the retail sales of the facility, which are owed by the facility to state or local governments.

CONTRACTUAL OBLIGATIONS

253.00	Medicare	Amount Due to the Title XVIII fiscal intermediary based on Cost Settlements.
255.00	Medicaid	Amount due to the Department of Human Services.

LONG TERM LIABILITIES

261.00	Mortgage Payable	Amount due on mortgages, against the facility's real property and improvements owned, with term longer than one year.
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263.00	Note Payable	Amount due on secured notes payable with term longer than one year. Note that amount due to owner and/or related organizations should be separated.
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EQUITY

301.00	Capital	Owner's capital at balance sheet date.
392.00	Retained Earnings	Accumulated earnings after income taxes and after dividends have been paid to stockholders.
393.00	Net Profit of (Loss)	Net profit or (loss) from operations for current year to date before provisions for income taxes have been made.

PROPRIETOR DRAW

395.00	Proprietor Draw	Amount withdrawn from the business by the owner(s) in cases where the facility is not a corporation.
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ROUTINE REVENUE

The gross charges made to residents for room and board services, including general nursing, dietary, housekeeping, and all other commonly used services available to all residents and normally expressed as a daily or monthly rate.

402.00	Private	All routine revenue for self-pay residents and other third party covered residents.
403.00	Medicare	All routine revenue for Title XVIII coverage including amounts paid by the Intermediary as well as coinsurance payments.
404.00	Medicaid	All routine revenue for Title XIX coverage including amounts paid by the state as well as resident liability payments.

ANCILLARY REVENUE

410.00	Physical Therapy	Revenue associated with the following types of services performed by a registered physical therapist or under his supervision. Including (1) evaluating residents by applying tests of functional ability, nerves, muscles, etc., and (2) treating residents to relieve pain, restore functions and maintain performance, using physical means such as exercise, heat, water and electricity.
412.00	Pharmacy	Revenue associated with drugs and pharmaceuticals prescribed by the attending physician.
414.00	Speech Therapy	Revenue associated with the provision by a registered speech therapist of services which include providing assistance to the physician in evaluating residents to determine the type of speech disorder; recommending appropriate therapy and providing rehabilitative services.

416.00	Oxygen (Inhalation Therapy)	Revenue associated with the provision of that service providing inhalation of medications with the aid of special appliances and compressed gases for the purpose of correcting respiratory disease or alleviating respiratory symptoms.
418.00	Nursing Supplies	Revenue for medical and surgical supplies which are chargeable to residents (e.g., catheters, colostomy bags, dressings, syringes).
<u>OTHER REVENUE</u>		
430.00	Television	Revenue earned from rental of televisions to residents.
432.00	Beauty and Barber	Revenue derived from the provision of beauty and barber services to residents.
434.00	Personal Items	Revenue derived from the sale of personal items such as toothpaste, razor blades, shaving cream, etc.
436.00	Vending Machines	Revenue derived from the sale of products in vending machines, such as candy bars and soda pop.
438.00	Rental	Revenue derived from rental of space or equipment.
440.00	Interest	Interest earned on cash deposits, investments or notes and accounts receivable.
441.00	Meal Income	Revenue from meals sold to guests and employees.
442.00	Laundry Income	Revenue derived from doing personal laundry for residents.
<u>DEDUCTIONS</u>		
501.00	Contractual Adjustments	Adjustments made to resident care revenue to reflect estimated cost settlements with a third party. These adjustments are usually made as a result of an agreement to accept cost as payment from a contracting agent.
503.00	Medicare	Adjustments to Title XVIII covered charges.
505.00	Medicaid	Adjustments to Title XIX covered charges.
<u>ALLOWANCES</u>		
522.00	Private	Offsets to gross charges for self-pay residents and other third party covered residents.
524.00	Medicare	Offsets to gross charges for Title XVIII residents.
526.00	Medicaid	Offsets to gross charges for Title XIX charges.

NURSING

601.00	Salary - Director	Gross salary (includes sick pay, holiday pay and vacation pay) of Director of Nursing who is in a supervisory position.
602.00	Salaries - RN's	Gross salaries of Registered Nurses.
603.00	Salaries - LPN's	Gross salaries of Licensed Practical Nurses.
604.00	Salaries - Aides & Orderlies	Gross salaries of unlicensed personnel.
606.00	Supplies	Cost of items for which a separate identifiable charge is not usually made such as swabs, tongue depressors, cotton balls.
606.10	Supplies – Point of Care	Cost of Point of Care Software Applications that does not require capitalization.
607.00	Oxygen	Cost of oxygen for which a separate charge is not usually made.
608.00	Non-Prescription Drugs	Costs of items for which a separate charge is not usually made such as Milk of Magnesia, Rubbing Alcohol.
609.00	Inservice	Costs of training and education of all Nursing personnel.

RESTORATIVE

621.00	Salaries	Gross salaries of personnel providing restorative services to the facility, for which a separate charge is not usually made to the residents.
622.00	Consultants	Fees paid to personnel not on the facility payroll for which a separate charge is not usually made to the residents.
623.00	Physical Therapy	
624.00	Speech Therapy	
625.00	Inhalation Therapy	
626.00	Occupation Therapy	

ALLOWANCES

631.00	Supplies	Cost of supplies and other restorative services.
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ACTIVITIES

641.00	Salaries	Gross salaries of personnel providing recreational programs to residents such as arts & crafts, church services and other social activities.
642.00	Supplies	Cost of consumable items used in the activities program (e.g., games, puzzles, art supplies).
649.00	Income	Revenue derived from the sale of arts & crafts items.

SOCIAL SERVICES

661.00	Salaries	Gross salaries of personnel providing Social Services.
662.00	Supplies	Cost of consumable items used in providing Social Services (e.g., office supplies).

MEDICAL RECORDS AND SERVICES

663.00	Salary - Medical Director	Gross salaries of doctors providing advisory, educational and emergency medical services to the facility.
664.00	Salaries - Medical Records	Gross salary of licensed medical librarian.
665.00	Consultants - Medical Directors	Fees paid to a physician to act as a medical director.
667.00	Medical Records	Fees paid to a licensed medical records librarian.
668.00	Utilization Review	Fees paid to physicians attending utilization review committee meetings.
671.00	Supplies	Cost of supplies including nursing and charting forms, admission forms, medication and treatment records, Physician order forms, etc..

DIETARY

681.00	Salaries	Gross salaries of kitchen personnel including dietary supervisor, cooks, helpers and dishwashers.
682.00	Supplies	Cost of consumable items such as soap and detergent, napkins, paper cups, straws, etc..
683.00	Dishes and Utensils	Cost of knives, forks, spoons, plates, cups, saucers, bowls and glasses.
684.00	Consultants	Fees paid to consulting dietitians.
685.00	Purchased Services	Cost of other services.
686.00	Food	Cost of raw food.

LAUNDRY

701.00	Salaries	Gross salary of laundry personnel.
702.00	Linen	Cost of sheets, blankets, pillows and gowns.
703.00	Supplies	Cost of consumables used in the laundry including soap, detergent, starch and bleach.
704.00	Purchased Services	Cost of other services including commercial laundry services.

HOUSEKEEPING

721.00	Salaries	Gross salary of housekeeping personnel including housekeepers, maids and janitors.
722.00	Supplies	Cost of consumable housekeeping items including waxes, cleaners, soap, brooms and lavatory supplies.
723.00	Purchased Services	Cost of other services.

MAINTENANCE

741.00	Salaries	Gross salary of personnel involved in operating and maintaining the physical plant, including maintenance men or plant engineer.
742.00	Supplies	Cost of supplies used in maintaining the physical plant including light bulbs, nails, lumber, glass, etc..
743.00	Painting	Supplies and services.
744.00	Gardening	Supplies and services.
745.00	Purchased Services	Cost of other services including electricians, plumbers, locksmiths, etc..
746.00	Repairs and Maintenance	Supplies and services involved with repairing the building and equipment.

ADMINISTRATION SALARIES

761.00	Administrator	Gross salary of individual responsible for administering the activities of the facility.
762.00	Assistant Administrator	Gross salary of person directly assisting the Administrator.
763.00	Bookkeeping	Gross salaries of personnel responsible for accumulating and maintaining financial and statistical records.
764.00	Receptionist	Gross salaries of personnel answering telephones, greeting visitors, answering questions and performing secretarial functions.

GENERAL

765.00	Management Fees	Cost of fees paid to a related organization such as a home office or another division of the same company, for providing overall management and direction.
766.00	Advertising - Other	The cost of advertisements in magazines, newspapers, trade publications, radio, TV and yellow pages.
767.00	Advertising - Want Ads	Cost of advertising to recruit new employees.
768.00	Telephone	Cost of telephone service.
769.00	Dues and Subscriptions	Cost of subscribing to newspapers, magazines and periodicals, and of dues paid for membership in industry associations.
770.00	Insurance - Liability	Cost of insuring the facility against injury and malpractice claims.
771.00	Photo Copy	Cost of copying equipment and supplies.
772.00	License	Fees for licenses including state, county and local business licenses as well as nursing home and administrator licensing fees.

773.00	Equipment Rental	Cost of rented equipment used in the business office, (e.g., postage meter, adding machine).
774.00	Office Supplies	Cost of consumable items used in the business office, (e.g., pencils, erasers, paper, staples).
775.00	Printing	Cost of printing up forms and stationary including accounting and census forms, charge tickets, facility letterhead and billing forms.
776.00	Postage	Cost of postage including stamps, metered postage and freight charges.
777.00	Bank Charges	Cost of processing checks and other related charges.
778.00	Professional - Accounting	Fees paid to auditors and accountants.
779.00	Professional - Legal	Fees paid to attorneys.
780.00	Professional - Other	Fees, other than legal or accounting paid for professional services, for example personnel or labor relations consultation.
781.00	Payroll Processing	Fees paid to banks, data processing companies, or accounting firms for preparing the facility payroll.
782.00	Financials	Fees paid to data processing organizations, or accounting firms for producing the facility's general ledger, financial statements and other computer reports.
783.00	Purchased Services	Cost of other services.
784.00	Travel	Cost of travel (airfare, lodging, meals, etc.) by administrator and other authorized personnel.
785.00	Auto	All costs of maintaining autos or other vehicles including depreciation interest, rental payments, gas, oil, tires and maintenance, taxes and licenses as well as auto insurance.
786.00	Seminars and Training	Cost of and fees for attending seminars or training sessions for non-nursing personnel.
787.00	Public Relations	Cost of promotional expenses including brochures and other informational documents regarding the facility. Do not include advertising costs.
788.00	Governing Body	Cost of Governing Body.
789.00	Provider Fee	Cost of the provider fee paid monthly to the Department of Human Services.

PAYROLL TAXES AND BENEFITS

801.00	FICA (Social Security)	Cost of Employer's portion of Social Security tax.
802.00	SUI (State Unemployment)	State Unemployment Insurance costs.
803.00	FUI (Federal Unemployment)	Federal Unemployment Insurance costs.

806.00 Workmen's Compensation

Cost of Workmen's Compensation Insurance.

807.00 Health Insurance Cost of Employer's contribution to employee Health Insurance.

808.00 Group Life Insurance Cost of Employer's contribution to employee Group Life Insurance Plan.

UTILITIES

821.00 Heating (Fuel) Cost of heating oil, natural gas or coal.

822.00 Electricity Self-Explanatory.

823.00 Water, Sewer and Garbage Self-Explanatory.

831.00 Real Property Taxes Amount of taxes levied on the facility's land and buildings.

832.00 Personal Property Taxes Amounts of taxes levied on the facility's property and equipment.

833.00 Insurance - (Property) Cost of fire and casualty insurance on facility buildings and equipment.

COST OF CAPITAL

DEPRECIATION

841.00 Land Improvements Depreciation on improvements having a limited life made to the land of the facility, (e.g., paving, landscaping).

842.00 Building Depreciation on the facility's buildings.

843.00 Building Improvements Depreciation on major additions or improvements to the facility. For example, new laundry or dining room.

844.00 Equipment Depreciation on items of equipment. For example beds, chairs, floor polishers, office machines, stoves and washing machines.

844.10 Point of Care Equipment Depreciation expense associated with point of care software applications.

845.00 Leasehold Improvements Depreciation on major additions or improvements to building or plant where the facility is leased and the costs of the changes are incurred by the lessee (tenant).

RENT

851.00 Building Rental amounts paid by the facility on all rented or leased real property (land and building).

852.00 Equipment Rental amounts paid by the facility for leased or rental furniture and equipment.

852.10 Point of Care Equipment Rent expense associated with point of care software applications.

INTEREST

856.00	Building	Interest paid or accrued on notes, mortgages and other loans, the proceeds of which were used to purchase the facility's real property. (Land and building).
857.00	Equipment	Interest paid or accrued on notes, chattel mortgages and other loans, the proceeds of which were used to purchase the facility's equipment.
857.10	Point of Care Equipment	Interest expense associated with point of care software applications.

AMORTIZATION

861.00	Deferred Financial Costs	Amortization of legal and other costs incurred when financing or refinancing the facility. They should be spread over the life of the new mortgage.
862.00	Deferred Org. Cost	Amortization of the legal and other costs of bringing a business into existence. They should be spread over a 60 month period.

ANCILLARY EXPENSE

Cost or services for which a separate identifiable charge is or should be made, in addition to the routine charges.

871.00	Physical Therapy Salaries	Gross salaries of those employees engaged in providing physical therapy services.
872.00	Physical Therapy - Purchased Services	Cost of physical therapy services performed on a contract basis by other than employees.
873.00	Supplies	Cost of consumable items used by the physical therapy department.
875.00	Occupational Therapy - Purchased Services	Cost of occupational therapy services performed on a contract basis.
876.00	Speech Therapy - Purchased Services	Cost of speech therapy services performed on a contract basis.
878.00	Oxygen - Purchased Services	Cost of inhalation therapy services performed on a contract basis.
879.00	Supplies	Cost of consumable items used in the provision of inhalation therapy services.
880.00	Occupational Therapy Salaries	Gross salaries of those employees engaged in occupational therapy services.
881.00	Supplies	Cost of consumable items used by the occupational therapy department.

OTHER ANCILLARY

882.00	Supplies	Cost of medical and surgical supplies which are chargeable to residents (e.g., catheters, colostomy bags, dressings and syringes).
885.00	Laboratory - Purchased Services	Cost of laboratory procedures performed on a contract basis.
886.00	X-Ray - Purchased Services	Cost of X-Ray services performed on a contract basis.
887.00	Pharmacy	Cost of drugs and pharmaceuticals prescribed by the attending physician.

NON-ALLOWABLE

888.00	Barber and Beautician	Costs directly related to the provision of beauty and barber services to residents.
889.00	Personal Items	Cost of the personal items such as cigarettes, tooth paste, shaving cream, etc. sold to residents.

890.00	Vending Machines	Cost of items sold to employees and residents including candy bars and soft drinks.
891.00	Television	Cost of television sets used in the resident rooms.
892.00	Gift Shop	Cost of products sold in the gift shop and other costs that are directly associated with the sale of these products.
893.00	Insurance - Officers	Cost of life insurance on officers and key employees of the facility, other than group life insurance.
894.00	Income Taxes	Taxes on net income levied or expected to be levied by the Federal or State Government.
895.00	Contributions	Amounts donated to charitable or other organizations.
896.00	Bad Debts	Accounts receivable written off as uncollectable.
897.00	Goodwill	Amortization of amounts paid for a facility in excess of the book value of its tangible assets.
898.00	Advertising	Cost of advertising not related to recruiting new employees.
899.00	Other Nonallowable	Cost of other nonallowable services and purchases. Attach a schedule.