



**STATE OF CONNECTICUT**  
**DEPARTMENT OF MENTAL RETARDATION**



**M. JODI RELL**  
GOVERNOR

Operations Center  
Memo 2008-03

**Peter H. O'Meara**  
COMMISSIONER  
**Kathryn du Pree**  
DEPUTY COMMISSIONER

TO: Private Providers of Residential and Day Services

FROM: Peter Mason, Operations Manager

CC: Peter O'Meara, Commissioner, Kathryn duPree, Deputy Commissioner, Regional Directors, Assistant Regional Directors, Resource Administrators, Doug Davies, Vince O'Connell, CCPA, CAN, ARC/CT

DATE: August 1, 2007

SUBJECT: 2007 Annual Report of Residential and Day Services Software and User's Guide

All providers with a Purchase of Service Contract for residential and/or day supports with the Department of Mental Retardation are required to submit a financial report. The following is a guideline on which reports must be completed and the timeline for submission.

An agency with an annual master contract that exceeds \$100,000.00 is required to file the 2007 Annual Report of Residential and Day Services (Cost Report) for the fiscal year ended June 30, 2007. Additionally, the Cost Report for a for-profit organization is required to be audited. The report must be filed no later than 4:00 p.m. on October 15, 2007 to the office of:

Craig J. Lubitski Consulting, LLC  
Founders Plaza  
225 Pitkin Street  
East Hartford, Connecticut 06108

- 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 only 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 O'Meara in writing and prior to October 15, 2007. It is recommended that the request be submitted as soon as the extraordinary circumstances are identified.
- An agency with an annual master contract less than \$100,000.00 is required to file an Attachment D Report (End of Year Expense Report) to the Regional Office no later than September 30, 2007.

- All providers are required to submit Audited Financial Statements along with a management letter, audit recommendations and 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 is included in the 2007 Annual Report software. The reconciliation assures the State of Connecticut that the expenses reported in the Annual Report are based on the audited costs reported in the Financial Statements. Submit these to the Operations Center at DMR Central Office no later than December 31, 2007.
- Non-profit corporations with an annual master contract exceeding \$100,000.00 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 DMR. A copy must be submitted to the Operations Center at DMR Central Office by December 31, 2007 for the fiscal year ended June 30, 2007, unless an exemption or extension was granted by OPM.
- PA No. 07-238, Sec. 7 (Exec. Director Salary Cap) was signed by the Governor on July 11, 2007. The Public Act increases the maximum reimbursable amount for the salary of the Executive Director to \$ 100,000.00 effective for fiscal year 2008 and may be indexed with future Cost of Living Allowances. The salary cap for the FY2007 is \$ 75,000.00.

There have been no significant changes made on the 2007 Annual Report. It was anticipated that all costs associated with the Fee for Service system were to be itemized under one cost center for FY2007. However, a work group of private agency's business managers and DMR staff charged with incorporating the Fee for Service program into the Annual Report have been working diligently on a new report format for 2008. In order to maintain consistency until the group finishes its work, it was decided to continue to allow providers the option of using the Fee for Service cost center or to allocate costs associated with the Fee for Service program within other DMR funded programs using a revenue offset. Details on the new report format will be distributed once the work group has made its final recommendation and it has been approved by the Department.