

CEI CMH

**SECTION 460 COST ALLOCATION
PLAN**

FY 2006/2007

**CEI Community Mental Health Authority
Section 460 Compliance Report
Cost Allocation Plan for Fiscal Year 2007**

Salaries and Fringes:

Salaries and Fringes are recorded directly in the cost center(s) where the employee is assigned. Employee cost center allocations are maintained by the budget accountant with input and changes coming from each employee's supervisor. Fringe Benefits include health insurance, dental, life insurance, vision, and disability. Fringe benefits are recorded in the cost center where the employee is assigned. The fringe benefit expenditures follow the employee's payroll allocation. The attachment titled, "CEI Org Chart," provides a list of cost centers and attachment titled, "CEI Staffing Table," provides a list of staffing allocations.

The change in accrued leave balances is recorded in the unallocated cost center, cost center 90000. The expenditure amount is allocated to program cost centers based on the proportionate percentage of salaries and wages.

Until contracts are amended and retroactive payments are made, CEI is accruing the expenditures for the MDCH Direct Care Wage Pass Thru. The amount is accrued in the unallocated cost center and is allocated to the program cost centers using proportionate percentage of salary and wage expenditures for cost centers providing CLS, Skill Building, and Personal Care. The data used for the allocation is included in the accompanying Microsoft Excel workbook. The worksheet is titled, "Direct Care WPT Alloc Data."

Travel, Conferences, Parking, Employee Programs:

Travel, Conferences, Parking, Employee Programs are charged to the cost center where the employee is assigned. The charges follow the employee's payroll allocation.

Dues, Supplies, and Other:

These expenditures are charged directly to the program cost centers. Dues follow the employee's payroll allocation. Supplies and Other expenditures are recorded to the cost center ordering the supplies / items.

Buildings / Facilities:

CEI owns or leases 69 buildings. With the exception of three buildings, Jolly, Louisa, and ICC, the costs associated with the buildings are directly recorded in the cost centers for each program occupying the building. Most of these sites are residential homes for CEI's Developmentally Disabled and Adult Mental Health Services Programs. Expenditures for each home are recorded in a separate cost center for the specific home.

The costs associated with Jolly, Louisa, and ICC are recorded in three separate cost centers, one for each site.

The costs incurred for the Jolly, Louisa, and ICC buildings are allocated to programs occupying these buildings using square footage. A copy of the square footage allocation is included in the accompanying Microsoft Excel workbook. The worksheet is titled, "Facility Allocation."

If CEI rents out a portion of a building, gross expenditures for the CEI owned building are reduced by the rent revenue. The revenue offsets expenditures for portions of the building not utilized by CEI.

Contracted Services:

Contracted services includes client specific contracts and contracts with other service providers. Contracted services are recorded directly to the program cost center that is purchasing the services. Invoices are approved and coded by program supervisors and coordinators.

Local Match:

Local Match includes the local match on Medicaid paid to MDCH and the local match expenditures for certain grants and contracts. The local match for grants and contracts is recorded directly to the cost center in which the grant revenues and expenditures are recorded. The local match on Medicaid paid to MDCH is recorded in an unallocated cost center.

QAAP:

QAAP tax expenditures are recorded in an unallocated cost center.

Client Transportation:

Client transportation includes expenditures for vehicles owned, leased, and maintained by CEI, expenditures for bussing clients to and from service locations. Expenditures for bus passes are recorded directly in the cost center purchasing the passes. Vehicle expenditures are recorded directly in the cost center utilizing the vehicle.

General Insurance:

General Insurance is charged directly to the program cost centers. The charges follow the employee's payroll allocation.

Affiliation Subcapitation Expenditures:

Affiliation Subcapitation Expenditures are recorded separately in an unallocated cost center. For the purposes of reporting, amounts paid to affiliates are excluded and actual affiliate expenditures are reported.

Contingency:

The board contingency amount is recorded in a separate cost center. The board contingency budgeted amount is allocated to the programs based on proportion of total expenditure budget.

IS Hardware and Software:

With the exception of certain residential and day treatment sites, each CEI staff had a computer. Expenditures for Hardware and software are allocated to program cost centers using the number of FTE with an adjustment for the residential and day program sites that utilize a shared computer. The data used to allocate the IS expenditures is included in the accompanying MS Excel workbook. The worksheet is titled, "IS Alloc Information."

Medical Records:

The expenditures for the medical records program at the Jolly building are recorded in a separate cost center. These expenditures are allocated to the clinical programs that utilize the medical records service based in the square foot allocation percentages used for the facilities allocation.

Training Unit Expenditures:

The expenditures for the training unit operated by CEI are recorded in a separate cost center and are allocated to program cost centers based on the number of training hours provided to staff of each cost center. The allocation is included in the accompanying Microsoft Excel workbook. The worksheet is titled, "Training Allocation Data."

Supervisor Allocation:

Expenditures for supervisors are recorded directly to the cost center(s) where the supervisor is assigned. CEI employs both first and second line supervisors. Some supervisors fall in between and supervise both first line supervisors and direct care staff. In the case of a supervisor supervising both first line supervisors and direct care staff, expenditures are allocated between admin and direct based on the % of time spent by the supervised staff performing direct care services. A list of supervisors and the staff they directly supervise is included in the accompanying file titled, "Supervisor_Org_Charts." An allocations of supervisor cost between direct and admin is included in the accompanying Microsoft Excel file. The worksheet is titled, "Supervisor Data."