

Annual Cost Report Handbook – Child Care Institutions

Revisions for Reporting 9-30-17

The following list identifies the changes in the Child Care Institutions (CCI) Handbook for State of Michigan fiscal year 2017 reporting.

Organization and Alignment:

- 1- The Handbook aligns with Federal regulations regarding allowable costs and cost principles.
- 2- The Parent Organization Cost worksheet tab was removed. These costs are incorporated into indirect/administrative costs or deleted from reporting where applicable.
- 3- Statistical information is reported on a separate tab. (see below, and page 29)

Part 3: Report Procedure (page 10)

- 1- Penalty Language – 60 and 90 day past-due timeframes and withhold/penalty language of 5% of MDHHS contract revenue not to exceed \$60,000.

Part 4: Explanation of Common Terms (pages 11-13)

- 1- Added/expanded definitions for:
 - a- Days of Care
 - b- Actual Days of Care
 - c- Available Days of Care
 - d- Number of Children Served
 - e- Reasonable Cost
 - f- Reportable Cost

Part 5: Completing the Annual Cost Report Workbook

Section 2: Operating

- 1- Occupancy (page 17)
 - a. Added to Direct and Indirect/Administrative Costs: The reportable nature of depreciation, interest expense and property taxes related to direct personnel.
 - b. Added to Non-Reportable costs: Mortgage Principal Payments.
- 2- Equipment (page 19)
 - a. Added a \$5,000 capitalization threshold.
 - b. Added to Direct and Indirect/Administrative Costs: Furniture, bed frames, mattresses, appliances, computer equipment, computer maintenance and security applications, printers, file cabinets, chairs, and other durable goods.

Section 4: Miscellaneous (page 24)

- a. Added to Direct Costs:
 - o Cable TV, Satellite, DVD rental and internet based services.
- b. Added to Indirect Costs: Other miscellaneous costs related to indirect administrative personnel that benefit more than one cost objective are

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not readily assignable and are in accordance with provisions of 2 CFR 200.412 and 200.414.

Part 6: Reporting Program Statistics (page 29)

- a- Section 6 is a new section and corresponding workbook tab
- b- The text includes instructions to report the Number of Children Served, Available Days of Care, the Number of Full Time Equivalent (FTE) employees, and the Number of FTE's that exited.