

**REIMBURSABLE COST MANUAL (RCM)**  
**July 2024 edition**  
**July 1, 2024-June 30, 2025**

## **Crosswalk of Changes**

Please use the following guide to reference content changes by section of the July 2024 edition of the Reimbursable Cost Manual, as compared to the July 2023 edition of the Reimbursable Cost Manual.

### **Section II- Cost Principles**

1. Page 11: 9. Agency Administration (**addition**)

Agency administration is defined as those expenses that are not directly related to a specific program but are attributable to the overall operation of the agency. These costs include: costs for the overall direction of the organization; costs for general recordkeeping, budget and fiscal management; costs for public relations (non-fundraising); and costs for parent agency expenditures. Please refer to the definitions of Agency Administration and Program Administration Expense in the CFR Appendix A - Glossary, page 34.1 (Agency Administration) and page 34.4 (Program Administrative Expense).

2. Page 19: 13.A. Salaries and Wages (4)b (**revisions**)

i. For non-direct care staff, excluding those in the 100 position title code series and position title codes 505 and 605 as defined by the Consolidated Fiscal Report's Appendix R, and for owners or related parties who are employed in any job title or combination of job titles by the entity operating the approved programs, compensation up to 1.000 FTE for that individual in total, will be considered in the calculation of the portion of 1.000 FTE reimbursable in the tuition rates, subject to the limitations defined in (4) a. above.

ii. Allocation of non-direct care compensation for the 100 and 600 position title code series among various direct care job titles is not allowable; however, compensation for staff in the 500 position title code series may be allocated among various direct care job titles, based on the duties performed, if the staff meet the applicable qualifications for the direct care job title for which they are allocated (e.g., Teacher, Teacher – Substitute, Teacher Assistant, Teacher Aide, Teacher Aide/Assistant – Substitute, Clinical Staff). For the 100 and 600 position title code series, staff should be reported in the job code title supported by salary agreements and job descriptions. See Section III.1.B, Time Distribution, for additional information.

iii. An individual who fills the position and holds the responsibility and authority of Executive Director must be reported 100% as Executive Director. Executive Directors must have their time records signed or electronically approved by the agency's Controller, Compliance Officer, or staff employed in a similar capacity (in the event that the Executive Director also serves as the agency's Controller then a separate

independent individual within the agency's management structure may serve this function)

3. Page 20: 13.A. Salaries and Wages (4) (revisions)

- e. Direct care student to staff ratios shall not exceed the approved staffing levels supported by the Department's program approval letter. Any net excess of staff will not be included as part of reimbursable costs in the program's reconciliation prospective tuition rate; however, substitute position title codes for Teachers (PTC 224), Teacher – Coverage/Floating (PTC 227) and Teacher Aides/Assistants (PTC 230) are excluded from the calculation. Such additional staff may be deemed reimbursable in the prospective rate upon amendment of the provider's program approval letter and demonstration to the satisfaction of the Commissioner that such costs were necessary.

4. Page 22: 13. A. Compensation for Personal Service (addition)

- (12) Compensation paid to an employee(s) for their lunch period, is not reimbursable. In accordance with your employment agreements or collective bargaining agreements and labor law, 15-minute breaks are reimbursable. It is acknowledged that for CFR reporting purposes, a full-time position's standard work week hours cannot be less than 35 hours/week. Staff paid for less than 35 hours/week when lunch is omitted from hours paid will have a FTE below 1.0. or .885.

5. Page 24: 13.A. Salaries and Wages (Addition)

- (15) Longevity Payments. A longevity payment shall mean a recurring and non-accumulating (i.e., not included in base salary of subsequent years) sum of money in excess of regularly scheduled salary provided as a way to acknowledge long term staff and an incentive and to remain in the employ of an entity. Longevity payments are restricted to direct care titles/employees and employees in 100 and 500 position title codes, as defined by the Reimbursable Cost Manual's Appendix A-1, and are reimbursable subject to the following additional restrictions:
  - a. The longevity payment terms must be articulated in a written employer-employee agreement which must outline the requirements for receiving the longevity payment, the criteria used to determine eligibility and amount of the award, the timing of payment, and forfeiture of any unpaid longevity payment expectation upon termination of employment.
  - b. Will not be reimbursed if paid to subcontractors and/or independent consultants; additionally, the award cannot be based on any period of time an employee was a consultant;
  - c. Shall be subject to all aspects, constraints and cost parameters contained in the methodology;
  - d. Must be paid within the year awarded or no later than 2 ½ months after the entity's year end.

6. Page 27: 14. A. 2 Consultants (Delete)

The services could not have been performed by an appropriately certified school officer or employee ~~who possesses the necessary technical skills or by the Department's staff~~. Refer to [Section III. 1. C. Consultants](#)