

9553.0040 REPORTING BY COST CATEGORY.

Subpart 1. **Program operating costs.** The direct costs of program functions must be reported in the program operating cost category. These costs include:

- A. salaries of program staff, including the program director, unit coordinators, and nursing staff;
- B. supplies;
- C. consultant or purchased services;
- D. program staff training including the cost of lodging and meals, to meet the requirements of laws, rules, or regulations for keeping an employee's salary, status, or position, or to maintain or update skills needed in performing the employee's present duties;
- E. therapeutic overnight trips, camping, or vacations for residents within the limitations in part 9553.0035, subpart 11;
- F. membership or other fees for resident participation and staff supervision in social, sports, health, or similar organizations;
- G. the operating costs and vehicle insurance expense of a facility owned vehicle except staff compensation costs, or reimbursement for mileage for use of a personal vehicle, to the extent that the vehicle is used to transport residents for program purposes;
- H. telephone, television, and radio services provided in areas designated for use by the general resident population, such as lounges and recreation rooms;
- I. payroll taxes and fringe benefits allocated in accordance with part 9553.0030, subpart 6;
- J. accrued vacation and sick leave; and
- K. repairs necessitated solely as a result of destructive resident behavior.

Subp. 2. **Maintenance operating costs.** The costs listed in this subpart are included in the maintenance operating cost category.

- A. Direct costs of dietary services including:
 - (1) salaries of dietary staff;
 - (2) food;
 - (3) supplies;
 - (4) consultant services;
 - (5) purchased services; and
 - (6) accrued vacation and sick leave.

- B. Direct costs of laundry and linen services include:
 - (1) salaries of laundry staff;
 - (2) supplies;
 - (3) linen and bedding;
 - (4) purchased services; and
 - (5) accrued vacation and sick leave.
- C. Direct costs of housekeeping services include:
 - (1) salaries of housekeeping staff;
 - (2) supplies;
 - (3) purchased services; and
 - (4) accrued vacation and sick leave.
- D. Direct costs of plant operations and maintenance services include:
 - (1) salaries of plant operations and maintenance staff;
 - (2) supplies;
 - (3) utilities and fuel;
 - (4) nondepreciable equipment and repairs not subject to capitalization under part 9553.0035, subpart 8, except as in subpart 1, item K;
 - (5) purchased services;
 - (6) licensing and permit fees, except as in subpart 5, item F; and
 - (7) accrued vacation and sick leave.
- E. Payroll taxes and fringe benefits allocated in accordance with part 9553.0030, subpart 6.

Subp. 3. **Administrative operating costs.** The costs listed in this subpart are included in the administrative operating cost category:

- A. business office functions;
- B. travel expenses except as provided in subpart 1, items E and G;
- C. motor vehicle operating costs, except as provided in subpart 1, items E and G;
- D. telephone and telegraph charges, except as provided in subpart 1, item H;
- E. office supplies;
- F. insurance except as in subparts 1 and 6;

G. salaries, wages, or fees of top management personnel, accounting and clerical personnel, data processing personnel, receptionists, and other management or administrative personnel;

H. professional fees for services such as legal, accounting, and data processing services;

I. business meetings and seminars;

J. postage;

K. training, including the cost of lodging and meals, for management personnel and other personnel not related to direct resident care if the training either meets the requirements of laws or regulations for keeping an employee's salary, status, or position, or maintains or updates skills needed to perform the employee's present duties;

L. membership fees for associations and professional organizations which are directly related to the operation of the facility;

M. subscriptions to periodicals which are directly related to the operation of the facility;

N. advertising and personnel recruitment costs including help wanted advertising;

O. the costs of meals incurred as a result of required overnight business related travel;

P. security services or security personnel;

Q. management fees of a nonrelated organization;

R. working capital interest expense;

S. indirect costs classified in part 9553.0030, subpart 1, item B;

T. central, affiliated, or corporate office costs excluding the property-related costs of capital assets used exclusively by individual facilities in the provider group as in part 9553.0030, subpart 4, item D. Central, affiliated, or corporate office costs shall be allocated in accordance with part 9553.0030, subpart 4;

U. payroll taxes and fringe benefits allocated in accordance with 9553.0030, subpart 6; and

V. accrued vacation and sick leave.

Subp. 4. **Payroll taxes and fringe benefits.** Only the costs listed in this subpart are to be included in the payroll taxes and fringe benefits cost category. The commissioner shall allocate these costs to other cost categories in accordance with part 9553.0030, subpart 6.

A. the employer's share of the social security withholding tax;

- B. state and federal unemployment compensation taxes or costs;
 - C. group life insurance and disability insurance;
 - D. group health and dental insurance;
 - E. workers' compensation insurance;
 - F. either a pension plan or profit sharing plan as in part 9553.0035, subpart 10;
- and
- G. governmentally required retirement contributions.

Subp. 5. **Property-related costs.** The facility costs listed in this subpart are included in the property-related cost category:

- A. allowance for depreciation of capital assets, except land;
- B. capital debt interest expenses;
- C. rental and lease payments; and
- D. payments permitted under part 9553.0036, item BB.

Subp. 6. **Special operating costs.** The facility costs listed in this subpart are included in the special operating cost category:

- A. special assessments and real estate taxes;
- B. license fees required by the Minnesota Department of Human Services and the Minnesota Department of Health;
- C. real estate insurance;
- D. professional liability insurance;
- E. the portion of preopening costs amortized as in part 9553.0035, subpart 12, item B;
- F. training and habilitation services costs; and
- G. physical plant modifications or additional depreciable equipment costs allowed under part 9553.0061.

Statutory Authority: *MS s 256B.501*

History: *10 SR 1298; 12 SR 1711; 17 SR 784*

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