



Ohio Title IV-E Cost Reporting

General

Child welfare in the state of Ohio is operated through a state-supervised, county-administered system. Custodial agencies (e.g., counties, juvenile courts, etc.) usually seek contractual agreements with private placement agencies for the placement and care of custodial children. Custodial agencies can then seek reimbursement from the state for the placement costs (i.e., maintenance and administration) incurred on behalf of Title IV-E eligible children. However, reimbursement to the custodial agency is limited to the lesser of the actual maintenance and administration costs incurred for the child's placement or the private agency's calculated Title IV-E maintenance and administration reimbursement ceilings as established through submission of a cost report. Reimbursements are paid at the applicable federal financial participation percentage.

Title IV-E Fiscal Accountability rules were promulgated and signed into law on July 6, 2000, in order to comply with House Bill 448. The law mandates, among other requirements, the establishment of rules governing procedures for fiscal accountability for Public Children Services Agencies (PCSA), Private Child Placing Agencies (PCPA) and Private Non-custodial Agencies (PNA). The following is a summary of the rules:

- Ohio Administrative Code rule 5101:2-47-26.1 identifies cost report filing requirements, record retention requirements and related party disclosure requirements.
- Ohio Administrative Code rule 5101:2-47-26.2 requires each PCSA or Title IV-E agency (as defined in Ohio Administrative Code rule 5101:2-1-01) that files a cost report to have an annual agreed-upon procedures engagement of its cost report conducted by the Ohio Department of Job and Family Services (ODJFS). Additionally, each PCPA or PNA will engage a certified public accountant (CPA) to conduct an annual agreed-upon procedures engagement of its cost report in accordance with the ODJFS "Agreed-Up Upon Procedures" specified in appendix (A) of this rule.

Cost Reporting

ODJFS is responsible for the state's Title IV-E cost report process. The cost report establishes Title IV-E reimbursement ceilings for maintenance and administration costs and effectually serves as the upper limits of federal reimbursement to the custodial agencies for incurred placement costs on behalf of Title IV-E eligible children that have been placed in the custodial agency's own residential setting, another public agency's residential setting, or a private agency's residential setting or foster home network.

Ohio's Title IV-E reimbursement ceilings are calculated through use of the JFS 02911 Single Cost Report (JFS 02911). It is to be completed by all public and private not-for-profit and for-profit providers of purchased family foster care and residential services. In addition to capturing program costs for Title IV-E, the JFS 02911 also incorporates Medicaid and non-Medicaid program costs incurred in children's residential settings licensed by the Ohio Department of Mental Health and Addiction Services (ODMHAS). Furthermore, any other program costs which the provider incurs aside from the aforementioned programs are to be reported as "Other" on the JFS 02911 in order to ensure one hundred percent (100%) reporting of an agency's actual cost of operation for the reporting period.

Ohio's standard reporting period is equivalent to the state's fiscal year (SFY) period of July 1 through June 30. These reported historical costs (i.e., actual costs; budget amounts are not permitted) are multiplied by an inflation factor that is based on Ohio's consumer price index amounts for the state fiscal year period. Only the allowable and reimbursable Title IV-E reported costs are utilized to establish Title IV-E reimbursement ceilings. Approved Title IV-E reimbursement ceilings are effective the following April 1 through March 31. The Title IV-E reimbursement ceilings establish a reasonableness threshold for federal reimbursement to the custodial agencies for their incurred costs of placement and care for custodial children. Completed cost reports plus other required documentation (e.g., agreed-upon procedures report, applicable residential license, etc.; see (IV)(J) "Filing the JFS 02911 Single Cost Report" of the cost report instructions) must be submitted by December 31 following the end of the state fiscal year.

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Each submitted cost report covering the standard SFY reporting period must have an agreed-upon procedures JFS (02913) applied to it. These procedures have been developed by ODJFS and must be completed in accordance with AICPA guidelines by an independent CPA. The procedures can be found by typing the following web address in your browser:

<http://www.odjfs.state.oh.us/forms/file.asp?id=2580&type=application/pdf>

Ohio establishes approved Title IV-E reimbursement ceilings as a result of a desk review process. This involves reviewing submitted cost reports for filing completeness and reporting accuracy, reviewing the results of the agreed-upon procedures report, and reviewing and applying to the cost report any proposed adjustments resulting from the independent CPA's completion of the agreed-upon procedures. Approved ceilings are entered into ODJFS' SACWIS system as part of the reimbursement process to the custodial agency. Additionally, the ceilings are posted to the state's website for informational purposes (<http://jfs.ohio.gov/ocf/publications.stm>; scroll down to Title IV-E).

Agencies are required to adhere to the following guidelines when preparing their cost report:

- Allowable and unallowable cost principles contained in 2 CFR 200;
- Section 501(C) (3) of the Internal Revenue Code for Non-profit organizations, where applicable;
- All applicable rules found in Chapter 5101:2-47 of the Administrative Code; and,
- JFS 02911 cost report instructions.

Only Title IV-E allowable and reimbursable costs are utilized in calculating ODJFS-approved reimbursement ceiling amounts. Title IV-E reimbursable costs are foster care maintenance payments. Per Sec. 475. [42 U.S.C. 675] (4)(A) of the Social Security Act, foster care maintenance payments means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, reasonable travel to the child's home for visitation, and reasonable travel for the child to remain in the school in which the child is enrolled at the time of placement. In the case of institutional care (i.e., residential), such term shall include the reasonable costs of administration and operation of such institution as are necessarily required to provide the items described in the preceding sentence. These costs should be reported on the Purchased Foster Care (PFC) or Residential Service (RES) worksheets of the cost report.

Approved Title IV-E reimbursement ceilings are comprised of the following:

- Purchased Foster Care

Maintenance Reimbursement Ceiling: The maintenance reimbursement ceiling for purchased foster care services is based on a contemporaneous payment system with established statewide maximums as outlined in OAC Rule 5101:2-47-11. Essentially, it's the agreed-upon foster care placement amount paid by the custodial agency whereby the amount must be equal to the amount the private agency reimburses their foster parents for the maintenance of the children. The contemporaneous payment amount also includes the agreed-upon amount paid by the custodial agency for other direct services which include: special diets, clothing, graduation expenses, personal incidentals, liability insurance with respect to the child and reasonable travel expense for home visits provided these expenses are not included in the agreed-upon foster care placement amount.

Administration Reimbursement Ceiling: The administration reimbursement ceiling for purchased foster care services is comprised of case management and all other allowable and reimbursable direct and support service costs and administrative overhead costs.

- Residential

Maintenance Reimbursement Ceiling: The maintenance reimbursement ceiling for residential services is comprised of all reimbursable direct costs and the proportionate allocation of support and administrative overhead costs.

Administration Reimbursement Ceiling: The administration reimbursement ceiling for residential services is comprised of case management costs and the proportionate allocation of support and administrative overhead costs.

Custodial Agency Reimbursement

ODJFS-approved reimbursement ceiling amounts do not affect the actual payment made to the private agency for care of a child. These payments are still subject to negotiation between the provider agency and the custodial agency which is purchasing the services. The reimbursement ceiling amounts established by the cost report are used by ODJFS solely as the basis for the reimbursement of allowable Title IV-E costs to the public children services agency for the placement costs of Title IV-E eligible children in eligible care sites. Other legitimate non-Title IV-E or non-Medicaid service costs may be considered when placement contracts are negotiated. However, payments made for the purchase of these services are non-reimbursable under the aforementioned programs.

It should be noted that Ohio does not utilize a payment rate system for its Title IV-E program. Rather, custodial agencies submit claims reflecting the actual cost of care. Then, as mentioned earlier, reimbursement is generated by taking what was paid for maintenance and administration and comparing it to the calculated ceilings, choosing the lesser of the two for each category, and computing the reimbursement for each category at the applicable FFP. This method ensures a reasonableness threshold for reimbursement that is based on historical costs which have been subjected to agreed-upon procedures performed by an independent CPA in accordance with AICPA guidelines.

Downloading the JFS 02911 Single Cost Report and Instructions

The JFS 02911 Single Cost Report and instructions can be downloaded from the ODJFS' Forms Central website by typing the following URL in your web browser: <http://www.odjfs.state.oh.us/forms/inter.asp>. Once you are at the website, perform your search by either Form Number or Form Name. To find the cost report and/or instructions, search by Form Number and type 2911 in the Search For field. The search results should produce the most recent version of the cost report and the instructions. For example, state fiscal year 2015's form and instructions would show 8/2015 in the Revision Date field.

Ohio Administrative Code Rules

Copy the following URL into your browser in order to begin the next step in viewing applicable rules for cost reporting and reimbursement:

[http://emanuals.odjfs.state.oh.us/emanuals/GetDocument.do?nodeId=%23node-id\(163\)&docId=Document\(storage%3DREPOSITORY%2CdocID%3D%23node-id\(449580\)\)&locSource=input&docLoc=%24REP_ROOT%24%23node-id\(449580\)&version=8.0.0](http://emanuals.odjfs.state.oh.us/emanuals/GetDocument.do?nodeId=%23node-id(163)&docId=Document(storage%3DREPOSITORY%2CdocID%3D%23node-id(449580))&locSource=input&docLoc=%24REP_ROOT%24%23node-id(449580)&version=8.0.0)

Now that you're at the eManuals Home page, locate and click the Family, Children and Adult Services Manual link on the left side of the page under Families and Children. Next, locate and click the Management and Administration link. Finally, locate the Table of Contents area near the top and click on the arrow on the right to expand and view the rules listed below:

- 5101:2-47-11
Reimbursement for Foster Care Maintenance Costs for Children's Residential Centers, Group Homes, Maternity Homes, Residential Parenting Facilities, and Purchased Foster Care Homes
- 5101:2-47-16
Foster Care Maintenance Program Reimbursability: Reimbursable Placement Settings
- 5101:2-47-23
Beginning Date of Reimbursability for Foster Care Maintenance
- 5101:2-47-23.1
Title IV-E Agency Contracting and Contract Monitoring Requirements
- 5101:2-47-26
Title IV-E Agencies, Private Child Placing Agencies (PCPA), Private Non-custodial Agencies (PNA): Penalties for Failure to Comply with Fiscal Accountability Procedures
- 5101:2-47-26.1

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Public Children Services Agencies (PCSA), Private Child Placing Agencies (PCPA), Private Non-custodial Agencies (PNA): Title IV-E Cost Report Filing Requirements, Record Retention Requirements and Related Party Disclosure Requirements

- 5101:2-47-26.2
Public Children Services Agencies, Title IV-E Agencies, Private Child Placing Agencies (PCPA), Private Non-custodial Agencies (PNA): Audit of Cost Reports

Questions?

If you have questions or would like additional information regarding Ohio's Title IV-E cost reporting system, please contact our office at IVECostReports@jfs.ohio.gov.