

**MaineCare Cost Report Checklist**  
**Psychiatric Residential Treatment Facility**

The following supporting documentation **must** be submitted with your cost report filing in accordance with MaineCare Benefits Manual Chapter III, Section 107, Principle 13.2.6. Failure to supply the requested information will deem the cost report unacceptable and may result in the suspension of payments and the application of a deficiency rate until the supporting documentation is filed. Please include a check mark next to each individual item number for which enclosures have been provided or N/A if not applicable, and return a completed copy of the checklist. Thank you for your cooperation in this matter and please do not hesitate to contact the Division of Audit if you have any questions concerning these items (287-2403).

- \_\_\_ A.) **100% Settlement Check** – a check for 100% of any estimated amount due the department must accompany the cost report
- \_\_\_ B.) **Financial statements** - copy of financial statements and workpaper reconciliation to filed MaineCare cost report.
- \_\_\_ C.) **Adjusted trial balance** - a copy of detailed adjusted trial balance with adjusting journal entries, which includes all general ledger accounts.
- \_\_\_ D.) **Year-end adjusting entries** - copy of auditor’s and client prepared year-end adjusting entries.
- \_\_\_ E.) **Payroll** - a copy of workpaper reconciling payroll to MaineCare cost report
- 941’s - Employer’s Quarterly Federal Tax Return
  - 940’s - Employer’s Annual Federal Unemployment Tax Return
  - 941/CI-ME – Combined Filing for Income Tax Withholding and Unemployment Contributions
  - Quarterly employee listing by name - listing needs to be detailed by name and individual detailed wages earned
  - Fringe benefits analysis - detailed by category of benefit
  - Bonuses – detail listing of all bonuses paid during the year and a copy of the employee manual which provides the basis for the bonus
- \_\_\_ F.) **Depreciation schedule** - copy of the fixed asset register, e.g., land, buildings, equipment indicating the acquisition date, the cost, useful life, method of depreciation, annual depreciation for each asset, and accumulated depreciation at the end of the prior year and at the end of the current year. Depreciation expenses must reconcile with the financial statements and the submitted cost report. Also, a reconciliation to state depreciation from “book basis” to “MaineCare basis”.

\_\_\_\_\_ G.) **Asset Additions/Deletions:**

1) Asset additions - copy of workpaper separately listing all asset additions for the cost report period showing:

- Description of asset
- Date purchased
- Useful life
- Method of first year depreciation
- Acquisition price

2) Asset deletions - copy of workpaper separately listing all asset deletions for the cost report period showing:

- Date purchased
- Useful life
- Cash value received
- Historical cost
- Book value
- Reconciliation of gain/loss to financial statements

\_\_\_\_\_ H) **Amortization Schedules** – copy of all amortization schedules showing beginning balance, amortization expense, and ending balance.

\_\_\_\_\_ I) **Notes Payable**

A) Notes payable - copy of workpaper listing of individual notes payable reconciled to balance sheet account.

B) Loan agreement - copy of all loan agreements. This will be required for first year only. Thereafter, only if there are any new loans in the operating year, a copy of loan agreement is required.

C) Interest schedule - copy of detailed workpaper reconciling allowable interest expense and amount claimed as unallowable on cost report. Copy of beginning and ending bank statements for each loan.

\_\_\_\_\_ J) **Leases**

A) Unrelated party - a copy of signed and dated lease agreements showing complete terms of lease to include: amount of lease, detail what is being leased, certification of unrelated status, etc.

B) Related party - a copy of signed and dated lease agreement showing terms of lease, amount of lease, detail of what is being leased. Additionally, a cost of ownership of leased equipment (see principles of reimbursement related party requirement.)

C) Cost of ownership (for unrelated and related party leases) - a copy of a schedule listing all expense classifications and amounts claimed for cost of ownership and elimination of lease amounts (if applicable) reconciled to amount claimed on MaineCare cost report.

\_\_\_\_\_ K) **Taxes**

A) Real estate and personal property - copy of invoice(s) and cancelled check(s) reconciled to general ledger account and MaineCare cost report

- \_\_\_ L) **Insurance other than worker's compensation** - Copy of policy cover page(s) reflecting period, amount charged and coverage. A work paper that reconciles expenses claimed on the cost report to the Financial Statement. If adjusting entries were posted to insurance expense account(s), provide a copy of the entry(ies) with supporting documentation.
- \_\_\_ M) **Worker's compensation insurance** -
- copy of coverage page(s) for policies in force during the fiscal year
  - A work paper that reconciles expenses claimed on the cost report to the Financial Statement.
  - copy of worker's compensation audited policy and audit trail to MaineCare cost report
  - copy of audit settlement check and audit trail to financials
  - Not self-insured - copy of listing of deductibles for worker's compensation paid claims
  - Self-insured - copy of paid claims, supplemental insurance and detail of trustee and other administrative fees
- \_\_\_ N) **Central office costs** - if you are reporting central office costs, provide a copy of the annual home office financial statement(s) and the cost allocation workpaper providing the audit trail for costs claimed on the MaineCare cost report.
- \_\_\_ O) **Organizational chart** - a copy of organizational chart applicable to the reporting period.
- \_\_\_ P) **Census logs** - a copy of your monthly log summaries which reconcile to as filed cost report. This additionally needs to be detailed by MaineCare, Medicare, private, VA, days waiting placement, etc.
- \_\_\_ Q) **Personal use** - Workpapers and citation of applicable trial balance account for the personal use of vehicles and personal use of any other equipment or property used. Additionally, workpaper needs to delineate allowable and unallowable percentages and to provide a justification disclosure for percentages used.
- \_\_\_ R) **Resident funds** - a work sheet which reconciles financial statement balance to individual resident balances by name. If not applicable, provide a statement that the facility does not maintain the books for resident funds.
- \_\_\_ S) **Revenue Reconciliation** – a worksheet reconciling revenues by payer to total revenues reported on the financial statements.
- \_\_\_ T) **Accounts Payable Aging Schedule** – detailed listing of accounts payable as of the close of your fiscal year.
- \_\_\_ U) **Related parties** - a copy of financial statements, trial balances, adjusting entries and workpaper documentation to support cost incurred and cost reported to be MaineCare allowable from transactions with all related parties.
- \_\_\_ V) **Water & Sewer** - a copy of the general ledger detail for water & sewer.