Documentation of Time effective July 1, 1997:

DMA and HCFA require auditable documentation of the FTE distribution used by area programs in cost finding. It is clear that budgeted FTE's will not be accepted. The Controller's office believes that three methods will be acceptable in the following order of preference;

1. Recording of all clinician time , direct care, internal management, etc., in the area program data system. This data will determine the FTE distribution directly.

2. Recording of all the direct care time in the area program data system, including day treatment and residential. This will be used to proportion all time into FTE's. For example, if Jim Bob records 50% of his direct time in case management, 20% in individual psycho., and 30% of direct time in day treatment, (which covers about one half of his total time) his FTE's will divide up .5, .2 and .3 in those service objectives for cost finding. The assumption is that non-direct time is spent working , training, or supervising in those same areas. This method may present a problem in some areas for some individuals if internal management time is not captured.

3. Time Sheet for each staff member is acceptable but is the least desirable method of documenting and distributing FTE's.

Area programs will need to have systems in place July 1, 1997, to insure that they will be able to comply with one of the three acceptable methods for FTE distribution when they prepare the 1997-98 Actual Cost Finding. If you will not be able to comply with one of the acceptable methods, you should contact Tom Washburne, Chief, Rate Setting, at the Controller's office (919/733-0169) with proposed alternative methods.

To the extent possible, this methodology should be used in preparing the FY 1996-97 Actual Cost Finding. Training on this and other changes in the cost finding process will occur in the fall.

Also, Finance Officers and persons preparing contracts, please remember that to the extent possible you should set-up contracts FY 1997-98 so they can be cost-found as Purchase of Services contacts in the Actual Cost finding for that period.