

NEW YORK STATE
RESIDENTIAL HEALTH CARE FACILITY
ACCOUNTING AND REPORTING MANUAL

SPECIALIZED ACCOUNTING AREAS (Cont'd)

If indirect overhead must, by grant contract, be recorded in the unrestricted fund cost centers used for the recording of the direct costs of the grant activity, the natural expense classification (other expenses) must be used. A separate cost center entitled "Overhead Applied" should be established in the unrestricted fund and credited with the amount of such overhead allocation. For reporting to the Department of Health, the balance in the "Overhead Applied" cost center must be offset against the grant activity cost center, so costs remaining in the grant activity cost center are direct costs only.

OVERHEAD ALLOCATION BETWEEN FACILITIES

An allocation of overhead should be made on the books prior to cost finding for facilities which share services or receive services from a service corporation. Statistical bases utilized for such allocation, must be approved by the New York State Department of Health.

AFFILIATED SCHOOL CONTRACTS

Education costs incurred relative to affiliated school contracts must be reflected in the Education Costs series of accounts (8110 - 8150) in the Unrestricted Fund. Salaries, wages and stipends paid to students on approved programs must be reflected in this series of accounts. Fees paid to physicians involved primarily in approved education programs must also be recorded in the Education Costs series of accounts, in the appropriate cost center.