

NEW YORK STATE
RESIDENTIAL HEALTH CARE FACILITY
ACCOUNTING AND REPORTING MANUAL

D. SPECIALIZED ACCOUNTING AREAS

INTERDEPARTMENTAL SERVICES

The term "interdepartmental services," for the purposes of this manual, is defined as the direct cost of utility provided by one nursing home department to another. The objectives of accounting for interdepartmental services is to establish a proper distribution of direct costs prior to any cost allocation process.

For the purposes of this manual the following are costs which should so be treated:

Plant Maintenance

All direct costs incurred in the routine maintenance, repair and service of buildings, and equipment are included in the Plant Operations and Maintenance cost center (Account 8220).

However, the cost of non-capitalizable non-routine maintenance and repairs directly assignable to a single cost center (such as a major repair of an X-ray machine) must be transferred to the cost center receiving the service. These costs include all direct expenses incurred by the Plant Operations and Maintenance cost center in performing such services.

When such non-routine maintenance and repairs are performed by non-facility personnel, the cost related to these purchased services must be either transferred from Plant Operations and Maintenance or charged directly to the cost center receiving the service. In the event that such costs are charged directly to the recipient cost center, such costs must be segregated under the new natural classification provided, i.e.: Repairs and Maintenance - Purchased Services Directly Assignable.

It is recommended that identification of direct costs be accomplished by developing a work order system. Written work orders identifying the requesting cost center should be prepared upon receipt of the request for services. Upon completion of the service, the direct cost of labor and materials would be entered on the work order. Completed work orders should be sent to general accounting on a regular basis so that interdepartmental costs can be recorded.