**Section 356.20 Definitions**

 "Administrative cost" means those costs related to the management and organizational maintenance of the purchase of care provider such as program administration, postage, and clerical support.

 "Allowable costs" means those reasonable costs, as defined in this Section, that will be considered for reimbursement. Prior to the final rate determination, allowable costs are subject to revenue offset and application of reasonable cost standards if applicable, as specified in Section 356.50.

 "Cost report" means a report of all costs incurred and revenue earned by a provider that are directly associated with services purchased by the Department for its clients.

 "Department" or "DCFS" means the Department of Children and Family Services.

 "Disallowable costs" means those costs that will not be considered for reimbursement.

 "Fiscal year" means July 1 through June 30.

 "For-profit agencies" means those agencies that are registered as for-profit by the Secretary of State and recognized as for-profit entities by the Internal Revenue Service.

 "Fringe benefits" means those provider costs not paid as salaries but incurred by agencies directly for the benefit of their employees. Fringe benefits include, but are not limited to employee health and retirement benefits, payroll taxes, worker's compensation insurance and unemployment compensation insurance. Liability insurance and malpractice insurance are not considered fringe benefits because the provider itself receives substantial benefits and protections from incurring those costs.

 "Historical costs" means the total expenditure incurred for all programs the purchase of care provider provided for the previous State fiscal year that are presented via certified audit.

 "Ownership costs" means the costs of maintenance, utilities, property and building insurance, depreciation, amortization of leasehold improvements, rent, property taxes, interest and other related costs.

 "Preoperating expenses" are those operating expenses that are incurred in making preparation for rendering client care before the first client is admitted (e.g., costs based upon the amount of time an executive director spends on developing a new program prior to the initiation of program services, staff salaries paid during training prior to the initiation of program services, etc.).

 "Purchase of care providers" means those service providers with whom the Department of Children and Family Services (Department) does business through contracts on a reimbursable basis for units of service delivered to specific clients.

 "Reasonable costs" means those costs incurred by purchase of care providers that are determined to be necessary and appropriate in accordance with Section 356.50.

 "Reimbursement rates" are rate levels used by the Department to reimburse for institutional and group home care; foster care; day care center and home care; adoption, counseling and homemaker service; and others as required for contracting purposes. These services are further defined in 89 Ill. Adm. Code 302 (Services Delivered by the Department of Children and Family Services).

 "Revenues to be offset" means funding provided by a governmental unit via a grant mechanism that is not clearly linked to the provision of service to any one particular client. The Department will wholly or partially discount such funding in determining the providers' reimbursable costs.

 "Support costs" means food and dietary, laundry, housekeeping, and other related costs.

 "Total agency costs" means the total expenditure incurred for all programs the purchase of care provider provides during a State fiscal year.

 "Unit of service" means a measured length of time, such as an hour or a day or some other measurable service component, that will enable the Department to determine the amount of service provided individually or in aggregate to clients.

(Source: Amended at 29 Ill. Reg. 8696, effective June 8, 2005)