

# Bulletin

December 18, 2008

Minnesota Department of Human Services – P.O. Box 64941 – St. Paul, MN 55164-0941

## OF INTEREST TO

- LCTS Coordinators
- LCTS Fiscal Reporting & Payment Agents
- County Human Service Directors
- Children's Mental Health Collaboratives
- Family Services Collaboratives
- School Superintendents
- Public Health Directors
- Corrections Administrators

## ACTION/DUE DATE

January 1, 2009

## EXPIRATION DATE

December 18, 2010

## DHS Revises Local Collaborative Time Study

### TOPIC

Revisions to procedures and forms used in the Local Collaborative Time Study (LCTS).

### PURPOSE

Provide notification, information and implementation instructions for changes affecting the LCTS effective January 1, 2009 and April 1, 2009.

### CONTACT

Questions relating to the LCTS should be directed to: Holly Emerson, Financial Operations Division, (651) 431-3774 or [holly.emerson@state.mn.us](mailto:holly.emerson@state.mn.us)

### SIGNED

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CHRISTINE BRONSON  
Deputy Commissioner  
Department of Human Services

## **BACKGROUND**

The Local Collaborative Time Study samples over 12,000 participants statewide and claims both Medicaid (MA) and Title IV-E administrative reimbursement for Minnesota's Family Service and Children's Mental Health collaboratives. School districts are one of the three types of public entities that participate in this project. County public health agencies and correction agencies also claim MA and Title IV-E administrative reimbursement as part of the LCTS. Reimbursement is earned by staff in public school districts, public health, and correction agencies for activities they perform to assist the state in administration of the MA and Title IV-E state plans.

LCTS funds received by collaboratives have been designated by state statute for use in the expansion of early intervention and prevention services in Minnesota communities. The Department of Human Services disburses MA and Title IV-E reimbursement claimed through the LCTS to county social service agencies who, in turn, must transfer the funds to the integrated fund of the collaborative.

Recent review by the Centers for Medicare and Medicaid Services Administration (CMS) of the claiming process for school districts has resulted in changes to some of the procedures and forms used in the administration of the time study.

This bulletin serves as an aid to counties/collaboratives in the facilitation of these changes.

## **LEGAL REFERENCES**

Minnesota Statutes, § 245.4932  
Minnesota Statutes, § 245.495  
Minnesota Statutes, § 256F.13

## **OVERVIEW OF CHANGES**

The changes consist of the following three items which are effective January 1, 2009. One additional change goes into effect April 1, 2009.

### **Changes Effective January 1, 2009:**

I. Claiming Methodology Change

LCTS time study results are currently tabulated by groups. Effective 1/1/2009 statewide aggregate activity code percentages will be used.

II. LCTS Log Sheet Changes

A. CMS requests title change for activity code I.

B. CMS requests additional information regarding time study participants' activity at the time of the random moment.

III. LCTS Cost Report Change (Public Schools Only)

Following the OIG audit, a request was made to ensure that federal credits are netted off school district salaries and benefits before application of indirect cost rate percentages.

### **Change Effective April 1, 2009:**

IV. Validation of 5% of Random Moment Samples

CMS requests validation of activities for 5% of the random moment sample.

### **ACTION REQUIRED**

The following staff must read this bulletin in its entirety before participating in the LCTS for Qtr 1, 2009. There is no exception to this rule. This bulletin is intended to serve as the mandatory training that is necessary to roll out the changes effective January 1, 2009 and April 1, 2009.

- LCTS coordinators
- LCTS designated site contacts
- LCTS trainers
- LCTS recorders
- LCTS backup recorders
- LCTS participants
- LCTS fiscal site contacts
- LCTS fiscal reporting & payment agents

Again—review of this document by all of the groups above is required prior to responding to the first random moment in January. No other training will be held and no further material is available.

## EXPLANATION OF CHANGES AND RELATED INSTRUCTIONS

### CHANGES EFFECTIVE JANUARY 1, 2009

#### I. Claiming Methodology Change

Effective January 1, 2009, the LCTS claim will be calculated using **statewide** time study results. This is a change from the “group claiming” that is currently in place. The change from “group claiming” to “statewide claiming” will occur in the internal DHS processing of quarterly federal claims. This change will be seamless to participants and has no effect on the current time study operation process.

When the switch to statewide aggregate time study results occurs in Qtr 1, 2009, county/collaborative LCTS earnings will be affected.

A detailed memo from Holly Emerson, notifying counties/collaboratives of the changes covered in this bulletin, was sent to all LCTS coordinators and LCTS fiscal reporting & payment agents the week of November 17, 2008. The memo included county-specific estimated change percentages generated from conducted analysis on Quarter 3 2008 county/collaborative claims. Those figures represent how the claiming change may potentially affect earnings, so counties/collaboratives can estimate the impact this change may have moving forward. Please consult with your local LCTS fiscal reporting & payment agent at county human services for additional information on earnings impact.

The following explanation of the change in claiming is for informational purposes only and does not require any action on behalf of LCTS coordinators, recorders, or participants—nor the LCTS fiscal reporting & payment agents.

The current claiming process is as follows:

$$\begin{array}{ccccccc} \text{County Cost} & & \text{Group Time Study} & & \text{MA \& Title IV-E} & & \text{Total County} \\ \text{Pool} & \times & \text{Results} & \times & \text{Ratios} & = & \text{Claim} \end{array}$$

**The statewide claiming process that goes into effect on January 1, 2009 is:**

$$\begin{array}{ccccccc} \text{County Cost} & & \text{STATEWIDE} & & \text{MA \& Title IV-E} & & \text{Total County} \\ \text{Pool} & \times & \text{Time Study Results} & \times & \text{Ratios} & = & \text{Claim} \end{array}$$

- Note – the Total County Claim in both of the above examples is paid out at the federal financial percentage (FFP) assigned by each respective federal agency - less DHS’ 5% set aside. (The unspent portion of the set aside is rebated back to county/collaboratives each year.) The respective FFP percentages are as follows: Medicaid Administration = 50% FFP; Title IV-E Administration = 50% FFP; Title IV-E Training = 75% FFP.

## II. LCTS Log Sheet Changes

### A. Title Change for Activity Code I

The title for activity code I – “Billable MA Activities” has been changed to “Direct Medical Services”. There is no change to the activity code description or the examples, only to the title. This means that participants do not need to alter their use of this code for upcoming random moments, but notice that only the title has been changed.

### B. Additional Information Required Regarding Time Study Participants’ Activity at the Time of the Random Moment.

Effective January 1, 2009, the LCTS log sheet will have a “side two”. (See page 8 for a preview of the new log sheet.) The information requested on side two of the log sheet is a brief, but concise description of the activity the time study participant was doing at the time of the random moment that led them to their activity code choice on side one.

**\*\*\* It is important to note here that we are not asking for names of students or identifying information of any kind. You must maintain data privacy in spite of this change.**

To give you a general idea of how it will work, we have illustrated two examples of how an LCTS participant might fill out side two of the log sheet. (See examples below.)

#### EXAMPLE 1

What were you doing? \_\_\_ **Speaking to a paraprofessional about a child’s needs** \_\_\_\_\_

Who were you with?  Student/Child  Family  Colleague  Other: \_\_\_\_\_

#### EXAMPLE 2

What were you doing? \_\_\_ **Filling out timesheet**\_\_\_\_\_

Who were you with?  Student/Child  Family  Colleague  Other: \_\_\_ **Self** \_\_\_\_\_

**Instructions for SIDE TWO of the new LCTS Log Sheet effective January 1, 2009**

- Effective January 1, 2009, LCTS participants will choose their activity code as usual on the front side (side one) of the log sheet. Next, the participant will proceed to side two where they must write a concise description of their activity and indicate who they were with at the time of the activity. The choices are: Student/Child, Family, Colleague or Other.
- LCTS participants may select multiple choices to the “Who were you with?” question if applicable. Example: If the activity being performed involved a student/child and their family, it is perfectly acceptable to select the boxes that pertain to “Student/Child” and “Family” for the activity description.
- Both questions on side two of the LCTS log sheet—“What were you doing?” and “Who were you with?” must be answered completely in order for the log sheet to be valid. In other words, it is not acceptable for the time study participant to answer the first question, but not the second (or vice versa).
- It is a local decision as to how LCTS coordinators and recorders administer the procedure to obtain LCTS participants’ random moment code selections and activity descriptions to complete the random moment log sheet. Whether your process is to obtain code selections face to face or by email, phone, or fax, you will need to modify your current procedure to include obtaining this description of the activity along with your participant’s code selection.
- We have updated the corresponding forms that local LCTS staff uses to facilitate the log sheets. The forms are: 1) *LCTS Random Moment Follow-up Sheet*; and 2) *LCTS Quarterly Random Moment Follow-up Sheet*. The updated forms are attached to this bulletin (see Attachments A & B). We intend to post the two updated forms on E-DOCS as well, so please look for them there in the future.
- LCTS coordinators are ultimately responsible for ensuring that all activity descriptions are completed for the corresponding random moment code choices. All local questions from LCTS and collaborative staff must be directed to the local LCTS coordinator—not DHS. This is an important policy that we strive to adhere to at all times. Because the county LCTS coordinator position is a pivotal role, we are obligated to route local questions pertaining to the LCTS time study operation back to them so they are not left out of the communication loop.

*A blank copy of the LCTS log sheet – sides one and two, showing the described changes that are effective January 1, 2009 is shown on the next two pages.*

**LOCAL COLLABORATIVE TIME STUDY (LCTS)  
 Random Moment Logsheet**

LCTS ADMIN. COUNTY  
 PARTNER  
 CLUSTER ID  
 CONTROL #

Cluster

**RANDOM MOMENT TIME:**

Each employee must initial next to her/his name to verify that the proper activity code has been recorded. If the employee's response is obtained through an alternate method, the recorder must use her/his own initials and then place an asterisk next to them.

NAME	INITIALS	DELETE	NAME	INITIALS	DELETE
1.	_____	<input type="checkbox"/>	7.	_____	<input type="checkbox"/>
2.	_____	<input type="checkbox"/>	8.	_____	<input type="checkbox"/>
3.	_____	<input type="checkbox"/>	9.	_____	<input type="checkbox"/>
4.	_____	<input type="checkbox"/>	10.	_____	<input type="checkbox"/>
5.	_____	<input type="checkbox"/>	11.	_____	<input type="checkbox"/>
6.	_____	<input type="checkbox"/>	12.	_____	<input type="checkbox"/>

**VALID ACTIVITY CODES**

**I. CHILDREN AT RISK**

- A -- Determination of Risk
- B -- Child Service Coordination
- C -- Court Related & Other Child Related Administration

- D -- Child Welfare Training of Local Collaborative Staff
- E -- Training of Foster and Adoptive Parents or Provider Staff
- F -- Therapy and Counseling

**II. HEALTH/MEDICAL RELATED**

- G -- MA Eligibility Determination Assistance
- H -- Health/Medical Related Service Coordination
- I -- Direct Medical Services

**III. OTHER**

- J -- Other Services and Third Party Payment
- K -- General Administration

A separate horizontal line has been provided for each employee's response. Each employee must PLACE an "X" in the box of the code that represents the activity performed at the time of the random moment. Employees can arbitrarily select any horizontal line to record their response.

	A	B	C	D	E	F	G	H	I	J	K
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\_\_\_\_\_  
 Recorder of LCTS  
 Coordinator Signature

**RETURN THIS FORM WITHIN SEVEN (7) DAYS TO:**

LCTS Project Manager  
 DHS Financial Operations Division  
 P.O. Box 64940  
 St. Paul, MN. 55164 - 0940

**Per federal regulations, LCTS timestudy participants must provide a brief general description of the activity being performed during the time of the random moment.**

If your activity code is listed on line number 1 on the other side of this logsheet, use the corresponding line number below to briefly describe the activity that corresponds to the code choice.

1. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
2. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
3. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
4. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
5. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
6. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
7. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
8. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
9. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
10. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
11. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
12. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_

### **III. LCTS Cost Report Change (Public Schools Only)**

The LCTS Cost Report for Public Schools only has one modification effective January 1, 2009. There is an additional line to complete on the cost report that requires schools to subtract reported federal revenue from the total salaries and benefits prior to application of the school district's indirect cost rate percentages. This change will not affect county/collaborative LCTS earnings, as we have been making this change on our end since January 1, 2006.

**All LCTS fiscal site contacts and LCTS fiscal reporting & payment agents must use the new Public Schools Cost Report effective Quarter 1, 2009. The due date for this report is April 20, 2009.**

The updated report and instructions are attached to this bulletin (see Attachments C & D). We intend to post the updated report and instructions on E-DOCS as well, so please look for them there in the future. Again—these documents must be used when completing the cost reports for Quarter 1 2009.

Please reference the following attachments:

ATTACHMENT C – Updated Quarterly Cost Report Instructions for Public Schools

ATTACHMENT D – Updated Quarterly Cost Report for Public Schools

Note: There are no changes for the Public Health or Corrections Cost Reports.

**CHANGE EFFECTIVE APRIL 1, 2009**

**IV. Validation of 5% of Random Moment Samples**

Beginning Quarter 2, 2009 (April 1, 2009 – June 30, 2009) an additional change is effective on the LCTS log sheet. Per the federal CMS Administration—five percent of Minnesota’s random sample will require validation at the local level. This change has been mandated by CMS with the intent of ensuring that we are achieving the most reliable time study results possible.

Addition of the validation will ensure that LCTS time study participants are selecting the most accurate code choices that reflect the activities being performed at the time of the random moment. While increasing the integrity of the random moment sample, this change may also serve as an indicator at the local level to identify where additional participant training is needed.

**LCTS RANDOM MOMENT VALIDATION – Q & A**

*What is the intent behind validation? In other words, what is it that CMS is trying to accomplish with validation?*

DHS believes CMS’ intent behind validation is to add a higher degree of integrity to the random moment sampling process. The *administrative* claim that DHS is making on the county/collaborative’s behalf cannot be traced back directly to a Medicaid service billing or a client (as is the case with Medicaid service billing), therefore the federal government simply wants to add another layer of checks and balances. LCTS participants are not required to do 100% time reporting as some of our claiming mechanisms require; and the validation process is simply another step that attempts to authenticate the results that are derived from this particular method of time sampling.

The core function of validation for this project is to look at the activity described in the narrative on side two of the LCTS log sheet—then, check it against the activity code selected by the LCTS participant on side one. The individual is essentially validating that the activity code selected on side one of the LCTS log sheet matches the activity described on side two.

*Is validation required on all LCTS Log sheets?*

NO – only 5% of the statewide sample must be validated. At the time of random moment generation, the DHS LCTS custom application software will randomly select 5% of the LCTS log sheets for validation. You will know that the log sheet must be validated if the “VALIDATE” box in the lower right hand corner of the log sheet is marked with an X. If the “VALIDATE” box is not checked, no validation is required for the log sheet.

Who can validate?

Fortunately, CMS did not specify who can and cannot validate the log sheet. Therefore, DHS Financial Operations Division policy is as follows. DHS has conveyed to you above what it believes is CMS' intent behind the validation step. DHS will leave it up to you to decide who best qualifies to do the validation. It is a local decision as to who can validate the LCTS log sheet. You can have one individual validate all the activity code choices on the log sheet—or you can assign certain individuals to various groups of LCTS staff (e.g. different individuals validate activity code choices on the log sheet). Obviously, the individuals who are designated to do the validation step must be familiar with the LCTS activity codes.

I am an LCTS participant—can I validate my own activity code choice?

NO – Someone other than the individual who selected the activity code must do the validation step.

I have been designated as the individual to do the validation step. How do I perform the validation? Who do I call if I have questions?

The core function of validation for this project is to look at the activity described in the narrative on side two of the LCTS log sheet—then, check it against the activity code selected by the LCTS participant on side one. After you have reviewed the activity code selection and you believe that the LCTS participant has made the correct activity code choice based on the given information, you can consider the activity code choice validated and sign off on the validation line. If you are validating all activity codes on the log sheet, it is not necessary for you to sign your name on every line. Simply sign and date on the first line under the heading titled, “Validation Signature/Date”. Then, draw a vertical line down through the remaining 11 lines and that will be our indicator that you have validated all activity code selections on the log sheet.

For questions—contact your county LCTS coordinator.

I have been designated as the individual to do the validation step. What if I do not agree with the LCTS participant's activity code?

If the individual performing the validation step does not agree with the LCTS participant's activity code selection after reviewing the activity description from side two, the activity code choice cannot be validated. This is a situation that must be resolved locally. Obviously, it will require some dialogue between the LCTS participant and the individual who is performing the validation. Perhaps you will want to include your county LCTS coordinator in this discussion. Whatever the local process is that is developed; it needs to result in a validated activity code choice before the log sheet can be submitted to DHS.

*How will I know if a log sheet requires validation?*

Only a random five percent of all statewide issued samples require validation, so you may or may not receive logsheets that require this action. If you do receive a log sheet requiring validation, it will be indicated with a checkbox next to the word “VALIDATE” in the lower right hand segment of side one of the log sheet. Each activity code choice line also has a corresponding validation signature line adjacent to it. A log sheet that does not require validation does not display an “X” in the checkbox next to the word, “VALIDATE”. See page 14 of this bulletin for a blank copy of side one for a log sheet requiring validation. Side two of the log sheet remains the same regardless of validation status.

*What do we do if we miss a random moment that requires validation?*

If you miss a random moment that does or does not require validation please contact Natalie Brickey at (651) 431-3783 or [natalie.a.brickey@state.mn.us](mailto:natalie.a.brickey@state.mn.us) as soon as you are aware of a missed random moment.

*Who should the LCTS Coordinator call with questions?*

DHS understands that the additional narrative required and validation process are new requirements for collaboratives and at first—may seem a bit overwhelming. LCTS coordinators should contact Holly Emerson at (651) 431-3774 or [holly.emerson@state.mn.us](mailto:holly.emerson@state.mn.us) with any questions on implementing these procedures.

*An example of a blank LCTS log sheet – showing the validation component effective April 1, 2009 is shown on the next two pages.*

**LOCAL COLLABORATIVE TIME STUDY (LCTS)  
 Random Moment Logsheets**

LCTS ADMIN. COUNTY  
 PARTNER  
 CLUSTER ID  
 CONTROL #

Cluster

**RANDOM MOMENT TIME:**

Each employee must initial next to her/his name to verify that the proper activity code has been recorded. If the employee's response is obtained through an alternate method, the recorder must use her/his own initials and then place an asterisk next to them.

NAME	INITIALS	DELETE	NAME	INITIALS	DELETE
1.	_____	<input type="checkbox"/>	7.	_____	<input type="checkbox"/>
2.	_____	<input type="checkbox"/>	8.	_____	<input type="checkbox"/>
3.	_____	<input type="checkbox"/>	9.	_____	<input type="checkbox"/>
4.	_____	<input type="checkbox"/>	10.	_____	<input type="checkbox"/>
5.	_____	<input type="checkbox"/>	11.	_____	<input type="checkbox"/>
6.	_____	<input type="checkbox"/>	12.	_____	<input type="checkbox"/>

**VALID ACTIVITY CODES**

**I. CHILDREN AT RISK**

- A -- Determination of Risk
- B -- Child Service Coordination
- C -- Court Related & Other Child Related Administration

- D -- Child Welfare Training of Local Collaborative Staff
- E -- Training of Foster and Adoptive Parents or Provider Staff
- F -- Therapy and Counseling

**II. HEALTH/MEDICAL RELATED**

- G -- MA Eligibility Determination Assistance
- H -- Health/Medical Related Service Coordination
- I -- Direct Medical Services

**III. OTHER**

- J -- Other Services and Third Party Payment
- K -- General Administration

Each employee must PLACE an "X" in the box of the code that represents the activity performed at the time of the random moment. Employees can arbitrarily select any horizontal line to record their response.

	A	B	C	D	E	F	G	H	I	J	K	Validation Signature / Date
1.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
3.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
4.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
5.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
6.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
7.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
8.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
9.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
10.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
11.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
12.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

RETURN THIS FORM WITHIN SEVEN (7) DAYS TO:

VALIDATE

LCTS Project Manager  
 DHS Financial Operations Division  
 P.O. Box 64940  
 St. Paul, MN. 55164 - 0940

Recorder or LCTS  
 Coordinator Signature

**Per federal regulations, LCTS timestudy participants must provide a brief general description of the activity being performed during the time of the random moment.**

If your activity code is listed on line number 1 on the other side of this logsheet, use the corresponding line number below to briefly describe the activity that corresponds to the code choice.

1. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
2. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
3. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
4. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
5. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
6. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
7. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
8. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
9. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
10. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
11. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_
12. What were you doing? \_\_\_\_\_  
Who were you with?  Student / Child  Family  Colleague  Other: \_\_\_\_\_

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**SPECIAL NEEDS**

This information is available in other forms to people with disabilities by contacting us at (651) 431-3735 (voice) or TDD users can call the Minnesota Relay at 711 or (800) 627-3529. For the Speech-to-Speech Relay, call (877) 627-3848.

**LOCAL COLLABORATIVE TIME STUDY (LCTS)**

**Random Moment Follow-up Sheet**

A. To be filled out by the Recorder:

Recorder's Name \_\_\_\_\_

Employee's Name \_\_\_\_\_

Moment to be recorded:

Day: \_\_\_\_\_

Date: \_\_\_\_\_

Time: \_\_\_\_\_

B. To be filled out by the employee:

Code (A-K): \_\_\_\_\_

Employee's initials: \_\_\_\_\_

What were you doing? \_\_\_\_\_

Who were you with?  Student/Child  Family  Colleague  Other: \_\_\_\_\_

**The employee should return this form to the Recorder indicated in section A.**

**DO NOT SUBMIT THIS FORM TO DHS.**

*Your LCTS coordinator should ensure that this form is retained by your organization as backup documentation for at least **FOUR** years.*

**LOCAL COLLABORATIVE TIME STUDY (LCTS)**

**Quarterly Random Moment Follow-up Sheet**

**Recorder's name:** (Recorder - fill this in before distributing)

(Your LCTS Coordinator should ensure that this form is retained by your organization as backup documentation for at least FOUR years.)

**Random Moment Summary for Quarter ending** \_\_\_\_\_

**Employee's name:** (Employee - return this completed form to the Recorder named above)

**1) Moment to be recorded:**

Day:	_____	Code (A - K):	_____
Date:	_____	Employee's initials:	_____
Time:	_____	Date initialed:	_____

What were you doing? \_\_\_\_\_

Who were you with?  Student/Child  Family  Colleague  Other: \_\_\_\_\_

**2) Moment to be recorded:**

Day:	_____	Code (A - K):	_____
Date:	_____	Employee's initials:	_____
Time:	_____	Date initialed:	_____

What were you doing? \_\_\_\_\_

Who were you with?  Student/Child  Family  Colleague  Other: \_\_\_\_\_

**\*See Other Side\***

**LOCAL COLLABORATIVE TIME STUDY (LCTS)**

**Quarterly Random Moment Follow-up Sheet (page 2)**

**3) Moment to be recorded:**

Day: \_\_\_\_\_ Code (A - K): \_\_\_\_\_  
Date: \_\_\_\_\_ Employee's initials: \_\_\_\_\_  
Time: \_\_\_\_\_ Date initialed: \_\_\_\_\_

What were you doing? \_\_\_\_\_

Who were you with?  Student/Child  Family  Colleague  Other: \_\_\_\_\_

**4) Moment to be recorded:**

Day: \_\_\_\_\_ Code (A - K): \_\_\_\_\_  
Date: \_\_\_\_\_ Employee's initials: \_\_\_\_\_  
Time: \_\_\_\_\_ Date initialed: \_\_\_\_\_

What were you doing? \_\_\_\_\_

Who were you with?  Student/Child  Family  Colleague  Other: \_\_\_\_\_

**5) Moment to be recorded:**

Day: \_\_\_\_\_ Code (A - K): \_\_\_\_\_  
Date: \_\_\_\_\_ Employee's initials: \_\_\_\_\_  
Time: \_\_\_\_\_ Date initialed: \_\_\_\_\_

What were you doing? \_\_\_\_\_

Who were you with?  Student/Child  Family  Colleague  Other: \_\_\_\_\_

**Minnesota State Department of Human Services (DHS)**

**LOCAL COLLABORATIVE TIME STUDY (LCTS)  
PUBLIC SCHOOL COST SCHEDULE 3220.1  
INSTRUCTIONS**

**A. OVERVIEW**

1. The primary purpose of the quarterly school district cost schedule is to report the costs incurred by the school district in support of the participants in the LCTS. These costs coupled with staff time study results determine the amount of reimbursement the collaborative will receive from the LCTS project.
2. Each school district, public health, and corrections agency participating in the LCTS must complete a quarterly cost schedule. In addition each county LCTS Fiscal Reporting and Payment Agent must complete a quarterly cost report summary.
3. As school district LCTS fiscal site contacts, you must complete an LCTS Cost Schedule after each calendar quarter. The calendar quarters are January thru March, April thru June, July thru September, and October thru December. The quarterly cost schedule should include all expenses for the three months of the quarter. Cash basis reporting must be used when completing the public school quarterly cost schedule. This means that only expenses which have been paid in the current reporting quarter can be included on the cost schedule.
4. You must sign, date, and submit the quarterly public school cost schedule to the county's LCTS Fiscal Reporting and Payment Agent on or before the date determined by the LCTS Fiscal Reporting and Payment Agent.
5. Your county's LCTS Fiscal Reporting & Payment Agent will collect all cost schedules from participating school districts, public health agencies, and correction agencies, review them, complete the LCTS Cost Report Summary form, and forward all schedules and forms to DHS on or before the 20th calendar day following the end of each quarter.
6. The LCTS Fiscal Reporting and Payment Agent must establish, announce and enforce quarterly cost schedule due dates for all school district, public health agency, and correction agency partners in order to meet DHS cost report submission deadlines.

**B. TRAINING REQUIREMENT**

1. DHS requires that all LCTS fiscal site contacts (those that complete the LCTS Cost Schedule) receive mandatory LCTS cost report training **BEFORE** completing and submitting *LCTS Public School Cost Schedule 3220.1*. If DHS has not received a Training Verification Form for the individual completing the schedule, the schedule will not be accepted.
2. There are three types of training which will meet the training requirement. If you have not received training in one of these three forms you are not qualified to complete this report and you should contact the LCTS Fiscal Reporting and Payment Agent for the LCTS project in your county immediately. The three approved types of training are:
  - a. The LCTS fiscal site contact has attended the interactive, videoconference “LCTS Fiscal & Cost Report” training in person - and they have the documented date of their participation on file with DHS.
  - b. The LCTS fiscal site contact has reviewed a previously-recorded “LCTS Fiscal & Cost Report” training videotape – AND – their county’s LCTS Fiscal Reporting & Payment Agent has followed up with them in person (e.g. reviewed the report methodology with them, quizzed them, made certain they understand what it is they are supposed to report, etc.) and as a result of this process – the county’s LCTS Fiscal Reporting & Payment Agent is confident that they know how to capture only the applicable costs.
  - c. The county’s LCTS Fiscal Reporting & Payment Agent provided individual line by line training to the LCTS fiscal site contact in person.

**C. COMPLETING THE PUBLIC SCHOOL COST SCHEDULE****GENERAL:**

1. Only expenses that have been **paid** by the reporting school district in the current reporting quarter can be included on this schedule.
2. Expenses included on this report must be directly related to the LCTS staff participants.
3. Do not include any types of costs that are ineligible for federal reimbursement according to federal OMB Circular A-21. You are responsible for review and compliance with this federal circular. Some examples of ineligible costs include:
  - Instructional and educational supplies.
  - Entertainment relating to amusement, staff picnics, etc.

- Fines and penalties
  - Expenditures resulting from violations of, or failure to, comply with federal, state or local laws and regulations such as traffic tickets or parking fines.
3. Round all amounts to the nearest dollar.
  4. Review the cost report for math accuracy before signing and submitting to your county's LCTS Fiscal Reporting and Payment Agent.

## **SECTION 1 - EXPENDITURES:**

### **Line 1: Direct Labor and Benefits of the LCTS Participants**

Report on this line the salary amounts paid to LCTS participants through the school district payroll system during the current reporting quarter and the amounts paid by the school for payroll related benefits on behalf of these participants during the current reporting quarter.

In order to ensure that you accurately capture the correct costs to report on this line, you must first be certain that you have an accurate listing of staff who participated in the time study in the current reporting quarter. Your school district's LCTS Designated Site Contact is responsible for maintaining an accurate listing of LCTS participants at all times and reporting any changes to DHS. You must verify with them who was participating in the LCTS during the current reporting quarter. Once you determine participating staff, you should report 100% of the salaries and related benefits of those individuals on Line 1.

Payroll related benefits are the employer contributions for items such as life insurance, disability insurance, medical and dental insurance, and employer paid FICA, Medicare, and workers compensation that are paid during the quarter for the LCTS participants.

Again since this report must be on a CASH basis—the check or warrant dates for the amount listed on line 1 must be in the current reporting quarter.

Individuals who are not a school district salaried employee, paid through the school district payroll system **cannot** be included here. This includes contracted staff, self-employed individuals, and independent contractors.

If you find that someone included in the list of LCTS participants you received from the school district's LCTS Designated Site Contact is not an employee of the school district, contact your county's LCTS Fiscal Reporting & Payment Agent and notify them immediately.

### **Line 2: Direct Labor and Benefits of Administrative, Supervisory and Clerical**

### Support

1. Report on this line the portion of the salaries and wages paid to support staff through the school district payroll system during the current reporting quarter that can be directly attributable to support of the LCTS participants. Include the same proportion of payroll related benefits paid for these support staff during the current reporting quarter.

**Note: Do not report 100% of these individuals' salaries and benefits on Line 2.**

2. Determine the portion of salaries and benefits directly attributable to support of the LCTS participants using the following allocation method.
  - ◆ Identify the immediate supervisor of each LCTS participant and any clerical or administrative staff that directly support LCTS participants.
  - ◆ Determine the percentage of total time their supervisor spends in actual supervision of the LCTS participant and apply that percentage to the supervisor's salary and benefits.
  - ◆ If 10% of their total time is spent directly supervising the LCTS participant – report only 10% of the supervisor's salary and benefits on Line 2.
  - ◆ Next – identify which clerical and administrative staff provides direct support to the LCTS participants.
  - ◆ Determine the percentage of their total time that is spent providing direct support to LCTS participants and apply that percentage to their total salaries and benefits.
  - ◆ If 30% of their total time is spent providing direct administrative or clerical support to LCTS participants - report only 30% of their salary and benefits on Line 2.
3. Once you have determined the allocation method for how you arrived at the costs reported on Line 2, be sure to document and retain the methodology.
4. Again since this report must be on a CASH basis—the check or warrant dates for the amount listed on line 2 must be in the current reporting quarter.

### Line 3: Federal Revenue Offset



See section titled, **SECTION 2 - FEDERAL REVENUE OFFSET** below.

Enter the sum of *Section 2 – Total Federal Revenue Offset* on Line 3.

**Line 4: Net Direct Labor and Benefits (Enter in both columns A and B)**

Enter the sum of Lines 1 and 2 less Line 3. This amount will be used in the calculation on Lines 5 and 6.

**Line 5: Indirect Allocation for Column A**

Multiply the net direct labor and benefits on Line 4 by the federally approved **Unrestricted Indirect Cost Rate** assigned to your school district by the Minnesota Department of Education for the current school year. Enter the result in column A on Line 5.

Remember to round to the nearest dollar.

*\* Note: To find your school district-specific rates, go to the Minnesota Department of Education's website. You will need your school district ID to locate your rates.*

**Line 6: Indirect Allocation for Column B**

Calculate the Special rate by adding one percent to the federally approved **Restricted Indirect Cost Rate** assigned to your school district by the Minnesota Department of Education for the current school year.

Multiply the net direct labor and benefits on Line 4 by the Special rate. Enter the result in column B on Line 6.

Remember to round to the nearest dollar.

*\* Note: To find your school district-specific rates, go to the Minnesota Department of Education's website. You will need your school district ID to locate your rates.*

**Line 7: Occupancy (Enter in both columns A and B)**

**Do not report** any amount on this line unless you have submitted a written cost allocation plan for occupancy expenses and have received approval from DHS on your methodology.

**Line 8: Depreciation (Enter in both columns A and B)**

**Do not report** any amount on this line unless you have submitted a written cost allocation plan for depreciation expenses and have received approval from DHS on your methodology.

**Line 9: Direct Expenses (Enter in both columns A and B)**

Report all supplies, equipment and other direct expenses *except* instructional or medical supplies that are used by LCTS staff to perform their day-to-day jobs.

Allowable expenses:                   - Most 300 object codes e.g. mileage, postage, telephones, office supplies (*not* instructional aids)

Non-Allowable expenses:           - First-aid supplies  
   - instructional supplies (object 430)  
   - contract services (object 305)

*\* Note: Object codes here refer to Minnesota UFARS classifications. These can be downloaded from the Minnesota Department of Education's website.*

Again since this report must be on a CASH basis—the check or warrant dates for the amount listed on line 8 must be in the current reporting quarter.

**Line 10: NET School District Cost Pool (Enter in both columns A and B)**

For column A: enter the total of Lines 4, 5, 7, 8 and 9.

For column B: enter the total of Lines 4, 6, 7, 8 and 9.

The amounts on Line 10 are the LCTS cost pool amounts that DHS submits to each respective federal agency on behalf of your county/collaborative. You are responsible for the review, compliance and accuracy of these figures.

**SECTION 2 - FEDERAL REVENUE OFFSET:**

Per federal requirements – you must determine if any of the amounts reported in Section 1 are federally funded. We cannot submit federally-funded amounts to the federal government for reimbursement – this is considered “double dipping”.

If your school district received federal grants that were used to fund any portion of the expenditures in Section 1 – you must report the name of the federal grant, and only that portion of the federal grant which was used to fund any of the expenses reported in Section 1.

Use a separate line for each grant. Add an additional sheet if necessary.

Do not include LCTS reimbursement earnings in this section. Federal grants are generally identified in UFARS with revenue source codes greater than 400. For a list of the most frequently reported federal grants for Public Schools, please contact your county's LCTS Fiscal Reporting & Payment Agent.

Note – Section 2 should not be left blank. It would be rare for a school district not to receive federal Special Ed dollars or other federal funding to fund expenses attributable to LCTS participants. However, if you are certain your school district has no federal revenue to report, please indicate the word “zero” or “none” in this section.

Cash basis rules still apply to this section —**with one exception:**

If you receive a federal grant as an annual lump sum (or any frequency other than quarterly), it is your responsibility to match the expenses reported with the associated federal revenue in the same period that the expenses are reported (even if the federal revenue was received in a different period).

In other words, you do not want one quarter's worth of expenditures in Section 1 – and an entire year's worth of the federal revenue offset in Section 2. The expenses and any associated federal revenue offset must be matched quarter for quarter – in the period that the expense is reported.

To our knowledge, this only occurs with federal Special Education funding for school districts who have requested that they receive their federal Special Education dollars annually rather than quarterly. In this case, you know the funding amount at the time you report the related expenses (even though you have not yet received the funding).

If you are uncertain as to whether this exception applies to a particular federal grant or if you have questions on how to treat a grant you have identified as an exception– contact your county's LCTS Fiscal Reporting & Payment Agent for further guidance.

#### **D. FREQUENTLY ASKED QUESTIONS**

Please see, “*LCTS Cost Reports – Most Frequently Asked Questions & Answers*” - for more information on questions that have often been asked on this report.

#### **E. WHO TO CONTACT**

If you have questions, concerns or comments regarding this schedule and instructions – please contact your county's LCTS Fiscal Reporting & Payment Agent.

**PUBLIC SCHOOL COST SCHEDULE**  
Local Collaborative Time Study

County/Collaborative Name	School District Name	Quarter Ending (mm/dd/yy)	COLUMN A QUARTERLY COSTS	COLUMN B QUARTERLY COSTS
<b>SECTION 1: EXPENDITURES</b>				
Line 1: Direct Labor and Benefits of Time Study Participants			.00	
Line 2: Direct Labor and Benefits of Administrative, Supervisory and Clerical Support			.00	
Line 3: Federal Revenue Offset (See Section 2 below for this figure)			( .00 )	
Line 4: Net Direct Labor and Benefits (Columns A and B = sum of lines 1 and 2 less line 3)			.00	.00
Line 5: Indirect Allocation - <b>Column A Only</b> (Total Direct from line 4 x District <b>Unrestricted</b> Indirect Rate of _____)			.00	.00
Line 6: Indirect Allocation - <b>Column B Only</b> (Total Direct from line 4 x <b>Special rate</b> ) <b>Special rate</b> = District <b>Restricted</b> Indirect Rate of _____ plus 1% for a total of _____ percent			.00	.00
Line 7: Occupancy (Use only if DHS approved) - <b>Put in both columns A &amp; B</b>			.00	.00
Line 8: Depreciation (Use only if DHS approved) - <b>Put in both columns A &amp; B</b>			.00	.00
Line 9: Direct Expenses - <b>Put in both columns A &amp; B</b>			.00	.00
Line 10: <b>NET School District Cost Pool</b>			<b>.00</b>	<b>.00</b>
<b>SECTION 2: FEDERAL REVENUE OFFSET</b>				
<b>Name of Federal Grant</b> (If none - write "NONE" - do not leave this section blank)				<b>Amount of Federal Grant that was used to fund expenditures in Section 1</b>
				.00
				.00
				.00
				.00
<b>Total Federal Revenue Offset</b> (transfer to line 3 above)			<b>.00</b>	<b>.00</b>

I, \_\_\_\_\_, verify that I have received the LCTS Fiscal & Cost Report training, and that this schedule and supporting documentation is accurate (LCTS Fiscal Site Contact - print name here) and complies with all guidelines set forth in the LCTS Public School Cost Schedule Instructions.

Signature of the LCTS Fiscal Site Contact \_\_\_\_\_ Date \_\_\_\_\_ Telephone Number \_\_\_\_\_