Illustration 7.6 Reserve Supplemental Schedule

Reserve Supplemental Schedule

Name of facility

Period covered by the audit

1. Total units of service _____
2. Allowable expenses for rate-based service _____
3. Total revenue for rate-based service _____
4. Excess (deficiency) revenue over expenses (line 3 less line 2) _____
5. Total reserve from all prior periods (not including this _____
6. Calculation of reserve and amounts due to purchaser:

Purchaser (6a)	Revenue from purchaser (6b)	Purch-aser' s share of total revenue (6c)	First Test				Second test					Total amount due to purchaser (6m)
			Purch-aser' s share of excess revenue (defic.) (6d)	Cap on reserve for first test (6e)	Amount to add to reserve for this period (6f)	Amount due to purchaser from first test (6g)	Purch-aser' s share of reserve from prior periods (6h)	Purch-aser' s share of reserve from all periods (6i)	Cap on reserve for second test (6j)	Amount of reserve (6k)	Amount due to purchaser from second test (6l)	

Illustration 7.6 Reserves Supplemental Schedule, Continued

Instructions for Preparing the Schedule

Facility -- Enter the name of the facility. A separate schedule is needed for each rate-based service operated by the agency/facility.

Period Covered by the Audit -- Enter the period covered by the audit.

1. *Total Units of Service* -- Enter the total units of service provided by the facility for rate-based service during the period.

2. *Total Allowable Expenses for Rate-Based Service* -- Enter the total allowable expenses for rate-based service.

3. *Revenue for Rate Based Service* -- Enter the total amount of rate-based revenue for the care of children received from all sources.

4. *Excess (Deficiency) Revenue over Expenses* -- Subtract allowable expenses (2d) from revenue for rate based service (3) and enter the difference. This is the amount that may be applied to the reserve, subject to contractual and statutory limits.

5. *Total Reserve from All Prior Periods* -- Enter the amount of reserve carried forward from all prior periods. Do not include reserve from the period covered by the current audit.

6. *Calculation of Reserve and Amounts Due to Purchasers*

   6a. *Purchaser* -- List the names of all purchasers who provided rate-based revenue to the facility.

   6b. *Revenue from Purchaser* -- List the amount of rate-based revenue from each purchaser. The total revenue for this column would agree with the amount shown on line 3.

   6c. *Purchaser's Share of Total Revenue* -- Calculate each purchaser's share of the total revenue for rate-based service by dividing revenue from the purchaser in column 6b by total revenue in column 6b. The sum of the shares in this column would equal 1.

The next four columns are for the first test: limiting the amount that may be retained for the current period to 5% of contract revenue (s. 46.036 or s. 49.34) or the limit imposed by the contract, whichever is lower.

   6d. *Purchaser's Share of Excess Revenue (Deficiency)* -- Calculate each purchaser's share of the excess revenue by multiplying the amount from line 4 by the share of total revenue in column 6c. The total for this column would equal the amount in line 4.

   6e. *Cap on Reserve for First Test* -- Enter the cap on the reserve specified by the contract or 5% of the amount of revenue from the purchaser (column 6b), whichever is lower.

   6f. *Amount to Add to Reserve for this Period and 6g. Amount Due to Purchaser as a Result of the First Test* -- If the purchaser's share of excess revenue (column 6d) exceeds the cap on reserve for the first test (column 6e), enter the amount of the cap in column 6f and enter the amount in excess of the cap (column 6d - column 6e) in column

Illustration 7.6 Reserves Supplemental Schedule, Continued

6g. Otherwise, enter the amount of the purchaser's share of excess revenue (deficiency) in column 6f and $0 in column 6g.

The next five columns are for the second test: limiting the amount that may be retained for the all periods to 10% of contract revenue (s. 46.036 or s. 49.34) or the limit imposed by the contract, whichever is lower.

6h. Purchaser's Share of Reserve from All Prior Periods -- Enter the purchaser's share of reserve from all prior periods. Facilities may use any method agreed to by their purchasing agencies for determining the shares. Two possible ways to determine shares are to use the purchaser's share as determined by prior audit or to use a pro-rata share obtained by multiplying the amount of reserve for all prior periods (line 5) by the purchaser's share of total revenue (column 6c).

The total for this column would agree with the amount in line 5.

6i. Purchaser's Share of Reserve from All Periods -- Add the amount to be added to the reserve for this period (column 6f) to the share of the reserve from prior periods (column 6h).

6j. Cap on Reserve for Second Test -- Enter the cap on the reserve specified by the contract or 10% of the amount of revenue from the purchaser (column 6b), whichever is lower.

6k. Amount of Reserve and 6l. Amount due to Purchaser as a Result of the Second Test -- If the purchaser's share of the reserve from all periods (column 6i) exceeds the cap on reserve for the second test (column 6j), enter the amount of the cap in column 6k and enter the amount in excess of the cap (column 6i - column 6j) in column 6l. Otherwise, enter the amount of the purchaser's share of reserve from all periods (column 6k) in column 6k and $0 in column 6l.

6m. Total Amount Due to Purchaser -- Add the amounts due to the purchaser from the first test (column 6g) and the second test (column 6l) to determine the total amount due to the purchaser, if the purchaser chooses to collect it.