

GENERAL ASSEMBLY OF NORTH CAROLINA  
1991 SESSION

CHAPTER 89  
SENATE BILL 164

AN ACT TO REQUIRE THAT DOMICILIARY HOME COST REPORTS BE  
CERTIFIED.

The General Assembly of North Carolina enacts:

Section 1. G.S. 131D-3 reads as rewritten:

**"§ 131D-3. Domiciliary care facilities; reporting requirements.**

The Department of Human Resources, Division of Social Services, by January 1, 1982, shall develop a cost and revenue reporting form for use by all domiciliary care facilities. This form shall be based on the uniform chart of accounts required in G.S. 131D-4. All facilities that receive funds under the State-County Special Assistance for Adults Program shall report total costs and revenues to the Department of Human Resources by March 1 of each year. Facilities licensed under the provisions of G.S. 131D-2(a)(5), facilities that are operated by or under contract with Area Mental Health, Mental Retardation and Substance Abuse Authority, and combination facilities providing either intermediate or skilled care in addition to domiciliary care shall not be required to comply with the reporting requirements in this section. All facilities shall be required to permit access to any requested financial records by representatives of the Department of Human Resources for audit purposes effective July 1, 1981.

A certified public accountant or public accountant shall certify each cost and revenue report that is submitted pursuant to this section. The certification statement shall include the following certifications, validations, and verifications:

- (1) The verification that the amounts reported in the cost report relate to the proper calendar year, and reconcile to the general ledger, tax return, and appropriate financial statements;
- (2) The validation of payroll costs reported for federal form 941 returns;
- (3) The verification that depreciation expense is supported by appropriate backup schedules;
- (4) The verification that interest expense reported agrees with bank statements and other support documentation;
- (5) The verification that food, utilities, and other vendor payments are adequately supported by source documents;
- (6) The certification that rent and lease expenses are supported by rental or lease agreements; and
- (7) The certification that data related to paid patient days are supported by adequate census.

The Department may take either or both of the following actions to enforce compliance by a facility with this section, or to punish noncompliance:

- (1) Seek a court order to enforce compliance;
- (2) Suspend or revoke the facility's license, subject to the provisions of Chapter 150B."

Sec. 2. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 21st day of May, 1991.

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James C. Gardner  
President of the Senate

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Daniel Blue, Jr.  
Speaker of the House of Representatives