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Memorandum

To: Executive Directors, DSN Boards
Finance Directors, DSN Boards

From: W. Chris Clark, CPA, CGMA
Chief Financial Officer

Date: July 8, 2020

RE: Revisions to Directive 300-05-DD "Maintenance Management Contract Requirements for Properties Owned by DDSN and Operated by Local County Providers"

At the June 18, 2020 meeting, the SCDDSN Commission approved a revision to Directive 300-05-DD "Maintenance Management Contract Requirements for Properties Owned by DDSN and Operated by Local County Providers". The purpose of this Directive is to establish maintenance and emergency repair responsibilities pertaining to residential and non-residential properties owned by DDSN and operated by local county providers ("Providers"). The revisions made to this Directive resulted in a shift of fiscal responsibility for these state-owned facilities from DDSN to each Provider operating them.

The purpose of this memo is to communicate a variety of transitional matters. While DDSN continues to maintain the deed for these properties, there remains a project related deeding of these properties to each Provider operating the facilities. In the meantime, the revision to the Directive shifted how DDSN and Providers share the responsibilities for each facility. DDSN, as the owner of the facilities, will continue to carry property insurance on the buildings. Providers will be billed for the premiums for each facility effective July 1, 2020. Premiums DDSN has paid prior to this date will be pro-rated and billed to Providers for the period subsequent to June 30, 2020. When the facilities are ultimately deeded to each Provider, at that time each Provider will need to add the facilities to their policy.

DDSN will continue to carry and pay for the termite bonds on those facilities that currently have active termite bonds. When the facilities are transitioned to each Provider, DDSN will expect the Provider to maintain the bonds.

The Provider is responsible for maintaining all inspections that are required for licensing. Those include, but may not be limited to: annual fire alarm system inspections, annual fire sprinkler system inspections, annual HVAC inspections, and annual electric inspections. Providers may continue to use the same vendors previously used by DDSN if they desire to do so.

For residential facilities that have established room and board charges associated with them, each Provider may submit a computation of projected/budgeted room and board costs where these additional costs are appropriate for inclusion in room and board charges. We will review and consider approval of room and board charges based on these anticipated cost increases.

Each Provider should coordinate with DDSN on any transitional clarifications needed related, but not limited to, licensing of facilities, inspections and certifications, etc. If you should have questions related to the insurance coverage, then please contact Debbie Wilson at 803-898-9720 or debra.wilson@ddsn.sc.gov. If you have questions related to licensure, certifications, or other facility repair/maintenance items, then please contact Andrew Tharin at 803-898-9423 or atharin@ddsn.sc.gov.