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Memorandum

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

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

Date: August 26, 2020

RE: Automatic Extension of Year-End Reporting Deadlines

We are aware that the impacts from COVID reach far and wide. We are aware that many audit firms and providers have been dealing with key staff reductions due to quarantines. We are sympathetic to the demands on these key finance personnel and want to ensure that staff availability reductions do not impair reporting quality. Significant changes were also made to our directives 275-04-DD and 275-06-DD this year that resulted in revisions to reports and procedures which can take additional time and energy to implement.

We still have not issued guidance on reporting that we will require related to COVID relief funds. Since this guidance has not yet been given, we understand that this too is a concern of providers and we do not want to provide this guidance at the last moment with providers and auditors having insufficient time to complete the additional procedures and supplementary schedule we intend to request.

In an effort to address the staff shortages and provide ample time to implement any supplementary audit guidance we will be issuing, we are hereby notifying you that we are extending reporting deadlines as outlined in our directives for some providers. If you have any reports due to us between July 1, 2020 and December 31, 2020, we are extending each of these deadlines by 30 days. This extension also applies to Medicaid Cost reporting for those that are required to file these reports with SCDDSN. For those of you that are June 30 year-ends, the following would be an example of the existing deadlines and the new extended deadlines.

- 1) Audited Financial Statements – due October 31st, extended to November 30th
- 2) Agreed Upon Procedures – due September 30th, extended to October 31st
- 3) Medicaid Cost Reports – due September 30th, extended to October 31st

If you have other than a June 30 year-end, but have deadlines during July 1, 2020 to December 31, 2020, then your due dates have also been extended by 30 days for each of your deliverables. If you have an existing extension in place, then this memorandum does not impact that extension and 30 days should not be implied to be added to the existing extension approved by us.

For those providers that have a fiscal year ended December 31, 2020 or later, the deadlines outlined in the directives will remain without an automatic extension being granted. Each provider still has the right to request an extension following the normal protocols. We will keep an eye on the COVID situation and will make a decision as to whether to extend deadlines for these providers. We will communicate this decision around January or February and it will be based on the status of COVID impacts at that time.

Please note that we may request additional financial information from you between the date of this memo and the extended due dates. This information may be necessary to complete a variety of provider specific or statewide analyses that we may be working on. Delaying receipt of the final year-end reports may impair our ability to complete a variety of tasks that are not at this point known or foreseeable.

We hope this change provides some needed and deserved relief. If you should have questions, then please contact me at 803-898-4084 or chris.clark@ddsn.sc.gov.