**Section 900.320 Cost Reports – General Requirements**

a) The Board shall require the annual filing of an attested cost report on such financial schedules as the Board may prescribe. Attested cost reports shall convey information on those items of cost defined as nonallowable in Section 900.321, as well as those defined as allowable in Section 900.322, and shall attribute allowable costs to special education, related services, or room and board. The time period covered by this report must correspond with the provider's fiscal year. Whenever possible, the Board will accept cost reports filed with other State agencies as fulfilling this requirement. Cost reports submitted to the Board for purposes of determining allowable costs must be accompanied by a certified audit for the most recently ended fiscal year unless the Board waives this requirement.

b) The Board may waive the requirement for a certified audit and/or for a cost report when it deems either of these to be unnecessary; for example, if:

1) the number of pupils placed with a provider by Illinois school districts totals fewer than six, except that until August 31, 2023, the Board may waive the requirement for a certified audit and/or for a cost report when it deems the number of pupils placed with a provider by Illinois school districts totals twelve or fewer;

2) the rate for an out-of-state provider is not negotiable according to law or rules in that state;

3) the provider's annual operating budget is very low; or

4) the provider is providing emergency and student-specific placements pursuant to 23 Ill. Adm. Code 226.330(g) or (i).

c) Unless prior arrangements for an extension of the deadline are made with the Board due to extenuating circumstances (such as unexpected loss of key personnel, inadvertent destruction of records due to fire or flooding, bankruptcy, etc.), this report must be filed by the latter of either January 15 or 90 days after the end of the provider's fiscal year.

d) Financial data must be reported using the accrual basis for accounting, unless prior arrangements are made with the Board.

e) The Board may request such additional financial information as is necessary to fulfill its duties. Circumstances that would cause the Board to request additional information include, but are not limited to, substantial revisions in the provider's program or substantial changes in the population served by the provider. This may include requiring a provider to submit a certified financial statement if the Board determines that such a statement is needed.

f) Providers shall cooperate in audits undertaken to verify the truth, accuracy and completeness of reported costs.

(Source: Amended at 46 Ill. Reg. 13299, effective July 13, 2022)