



**Center for Clinical Standards and Quality/Survey & Certification Group**

---

**Admin Info: 13-19-ALL**

**DATE:** March 8, 2013

**TO:** State Survey Agency Directors

**FROM:** Director  
Survey and Certification Group

**SUBJECT:** Fiscal Year (FY) 2012 End of Year Closeout Process

**Memorandum Summary**

- **2012 Budget Forms Overdue:** The Centers for Medicare & Medicaid Services (CMS) form CMS-435 titled Cumulative Budget Expenditure must be completed 60 days after the end of the FY (i.e., November 30, 2012 for FY 2012).
- **Final Close-out March 26, 2013:** States that still have not provided the necessary information by close of business March 26, 2013 will not be eligible for any supplemental funding for FY 2012 (i.e., funds that are redistributed from States that did not spend their entire allocation in FY 2012).

State Operations Manual (SOM), section 4642C, specifies that the CMS-435 Cumulative Budget Expenditure form is to be completed 60 days after the end of the FY (i.e., November 30, 2012 for FY 2012). This requires State Agencies to complete their CMS-435 Cumulative Budget Expenditure forms, have the forms entered into the automated system, and have all approvals completed.

We are finalizing the FY 2012 Survey & Certification (S&C) budget closeout process now. Timely close out is important for a great many reasons. One such reason is that some States that incurred bona fide survey costs in excess of their S&C allocation rely on the closeout for the determination as to whether they can receive supplemental funding made available because a few other States did not spend their entire allocation in FY 2012.

We are also requesting that as States are filling in these Cumulative budget forms, special attention is being paid to ensure that all fields are being filled in accurately. Specifically the Staff Year calculations in columns A, C and D on the CMS-435 form as this information is used in multiple different budget exercises and may have a negative impact on the state if not properly filled out. As an additional note to the Regional office budget contacts, please ensure that your States have indeed filled in all of the appropriate fields on the CMS-435 form before granting a Regional Office Approval in the online budget system.

On March 27, 2013 we will conduct a final review of the closeouts. State Agencies that have not provided their CMS-435 cumulative budget expenditures in final form by COB March 26, 2013 (i.e., for the FY 2012 cumulative) **will not** be eligible for any supplemental funding requests from funding that might have been unspent by other States for the FY 2012 time period. Thank you for your attention to this.

Page 2- State Survey Agency Directors

If you have any questions or concerns about this request, please contact David Escobedo at [David.Escobedo@cms.hhs.gov](mailto:David.Escobedo@cms.hhs.gov) or Bary Slovikosky at [Bary.Slovikosky@cms.hhs.gov](mailto:Bary.Slovikosky@cms.hhs.gov).

/s/

Thomas E. Hamilton

cc: Survey and Certification Regional Office Management