
Medicare

Provider Reimbursement Manual

Part 1, Chapter 6, Grants, Gifts, and Income from Endowments

Department of Health &
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<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
Table of Contents, Chapter 6	6-1 (1 p.)	6-1 (1 p.)
600 – 614	6-3 (1 p.)	6-3 – 6-8 (6 pp.)

This transmittal, as applicable, adds material to conform to the current regulations; revises terminology to reflect current usage; revises text to clarify its meaning or to eliminate obsolete policy; and adds, deletes, or corrects cross references. Where section titles have been revised, the new titles appear below.

CLARIFIED/UPDATED MATERIAL--*EFFECTIVE DATE*: Cost reporting periods beginning on or after October 1, 1983

Section 600, Principle, has been revised to clarify that effective with cost reporting periods beginning on or after October 1, 1983, allowable costs are not reduced by restricted grants, gifts, or income from endowments designated by the donor to be used only for certain provider operating costs, or groups of costs, or costs of specific groups of patients. The regulation on grants, gifts, and income from endowments (42 CFR 405.423), which provided for the reduction of costs by the amount of restricted grants, gifts, or income from endowments, was eliminated (49 FR 296 published January 3, 1984) effective for cost reporting periods beginning on or after October 1, 1983.

Sections 604 – 607 and 612 – 614, which provided specific instructions on restricted grants offsets, have been removed and reserved.

CLARIFIED/UPDATED MATERIAL--*EFFECTIVE DATE*: Not applicable

Section 608, Donations of Produce or Other Supplies, and Section 610, Donation of the Use of Space, have been removed and reserved, and the policy previously contained in these sections has been moved to Chapter 21 as §2102.4.

DISCLAIMER: The revision date and transmittal number apply to the red italicized material only. All other material was previously published and remains unchanged.

CHAPTER 6

GRANTS, GIFTS, AND INCOME FROM ENDOWMENTS

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600. PRINCIPLE

For cost reporting periods beginning on or after October 1, 1983, grants, gifts, and income from endowments, whether or not the donor restricts the use for a specific purpose, are not deducted from a provider's operating costs in computing reimbursable cost. For periods beginning prior to October 1, 1983, restricted grants, gifts, or endowment income designated by a donor for paying specific operating costs were deducted from the particular operating cost or group of costs.

602. DEFINITIONS

602.1 Unrestricted Grants, Gifts, and Income from Endowments.--Unrestricted grants, gifts, and income from endowments are funds, cash or otherwise, given to a provider without restriction by the donor as to their use.

602.2 Restricted Grants, Gifts, and Income from Endowments.--Restricted or designated grants, gifts, and income from endowments are funds, cash or otherwise, which must be used only for a specific purpose designated by the donor. This does not refer to unrestricted grants, gifts, or income from endowments which have been restricted for a specific purpose by the provider.

604. *[Removed and reserved]*

606. *[Removed and reserved]*

607. *[Removed and reserved]*

608. *[Removed and reserved] (See § 2102.4.)*

610. *[Removed and reserved] (See § 2102.4.)*

612. *[Removed and reserved]*

614. *[Removed and reserved]*