



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

DEPUTY COMMISSIONER
Office of Performance Improvement and Management Services
O: 518.473-4706
F: 518.474-5392

March 25, 2019

Hon. Thomas P. DiNapoli
New York State Comptroller
110 State Street, 15th Floor
Albany, NY 12236

Dear Comptroller DiNapoli:

In accordance with the provisions of Section 170 of the Executive Law, the following are actions that the State Education Department (Department) has taken, or will be taking, to implement the recommendations contained in the Office of the State Comptroller's (OSC) Final Audit Report (2016-S-38) Compliance with the Reimbursable Cost Manual: Manual Therapy Center, Inc. (Manual Therapy).

Recommendation 1: Review the recommended disallowances resulting from our audit and make the appropriate adjustments to Manual Therapy's CFRs and tuition reimbursement rates, as warranted.

The Department is currently in the process of reviewing the Consolidated Fiscal Reports (CFR) and OSC audit work papers and will make necessary adjustments and recover any overpayments, as appropriate, by recalculating tuition rates.

Recommendation 2: Work with Manual Therapy officials to ensure their compliance with SED's reimbursement requirements.

The Department will continue to provide technical assistance whenever requested and will strongly recommend the Manual Therapy officials take advantage of our availability to help them better understand the standards for reimbursement as presented in Regulation and the Reimbursable Cost Manual (RCM). Furthermore, CFR training is available online on the Department's webpage. The Department recommends that all individuals signing the CFR certification statements, namely Executive Directors and Certified Public Accountants, complete this training. This training is a requirement for preschool special education providers upon approval and reapproval.

Furthermore, the Department will require Manual Therapy to identify the actions it has taken to cure and correct the deficiencies and/or violations identified in the audit. Manual Therapy's submission to the Department must be certified by its Chief Executive Officer, with an attestation from each director, officer, trustee, and shareholder, and must contain all relevant information describing how policies, procedures and practices have been

revised to address the specific findings of the audit, and how systemic changes to the internal controls and financial oversight have been implemented.

If you have any questions regarding this response, please contact James Kampf, of the Rate Setting Unit, at (518) 474-3227.

Sincerely,

A handwritten signature in dark ink, reading "Sharon Cates-Williams". The signature is written in a cursive, flowing style.

Sharon Cates-Williams

c: Christopher Suriano
David Sears
Harold Matott
Suzanne Bolling
James Kampf