**Section 140.541 Salaries Paid to Owners or Related Parties**

a) Salaries (and other forms of compensation) paid to owners and related parties are allowable costs, subject to the following:

1) A figure for administrative salary costs paid to an owner is determined up to the following annual limits:

A) the 90th percentile of updated salaries paid to non-owner administrators for homes of that size and location group;

B) $50,000 for full time work (at least 35 hours per week) for one person performing management services for more than one home (in such cases, the salary costs used as the basis for comparison to the $50,000 limit will be those salary costs reported on the individual facility cost reports which are being used to set the rate for that year).

C) $50,000 for full time work (at least 35 hours per week) or a percentage thereof for part time work.

2) A figure for salary costs per facility paid to an administrator and all owners and their related parties performing an administrative function is determined up to an amount of two times the 75th percentile of updated salaries paid to non-owner administrators for homes of that size and location group.

3) The ceiling for allowable costs is the lesser of the amount determined under subsections (1) or (2) above.

b) The ceiling for allowable salary costs other than administrative shall be 130% of the average wage rate for those services based on the prior year's cost reports.

(Source: Amended at 8 Ill. Reg. 23218, effective November 20, 1984)