**Section 900.310 Definitions and General Provisions Relating to Determining Allowable Costs**

a) The Illinois Purchased Care Review Board (Board) approves costs for providers of special education and related services and also room and board for children whose educational needs, because of their disabilities, cannot be met by the special education program of the district in which they reside.

b) Each program is subject to prior approval of the Illinois State Board of Education (ISBE).

c) Providers must comply with the minimum educational standards as found in ISBE's rules regarding Nonpublic Special Education Facilities (23 Ill. Adm. Code 401), except for providers providing emergency and student-specific placements pursuant to 23 Ill. Adm. Code 226.330(g) or (i).

d) A "provider" is any organization that offers special education and/or residential services to students with disabilities under Section 14-7.02 of the School Code.

1) A "facility" is the physical premises where a provider offers services.

2) A "program" is a set of special education services designed to serve students who have similar educational needs.

3) A "private for-profit provider" is one that is registered as a for-profit corporation, limited liability company, or partnership by the Secretary of State in the provider's principal location and not recognized as a not-for-profit entity by the Internal Revenue Service.

4) "Organization" or "organizational" pertains to the business and administrative structure of an entity that serves as a provider under this Part.

e) "School health services" are those direct or indirect services normally associated with the function of a school nurse, limited to health counseling, health education, personal hygiene/grooming, first aid/emergency care, administration and monitoring of medications, safety, and health protection (prevention) services provided by licensed, registered, or certified nurses or other non-physician health care professionals employed by a nonpublic special education provider for the purpose of serving students placed in such facilities and those services required by the students' Individualized Education Programs (IEPs).

f) "Occupancy costs" are those costs associated with the operation and maintenance of the physical plant, and all depreciation, all lease or rental, and all interest.

g) "Support costs" are those costs normally associated with the provision of food and dietary services, laundry services, housekeeping services, and other costs associated with the provision of domestic services, including salaries, wages, fringe benefits, and supplies used in providing such services.

h) "Administrative costs" are costs normally associated with the overall organizational leadership and direction of the various program service entities within the provider's organization. Such costs include salaries, wages, fringe benefits and supplies related to executive officers and assistants, clerical and bookkeeping staff and other costs and fees associated with organizational leadership and direction.

i) When a provider purchases goods or services from a related organization, the cost of the goods or services shall be allowable only to the extent that it does not exceed the cost to that related organization. That is, a provider may not build a profit for a related organization into its cost structure. A "related organization" is one that:

1) directly or indirectly controls, or is controlled by, the provider; or

2) influences, or is influenced by, the provider in terms of financial and operational policies; or

3) is controlled or influenced by another organization that also controls or influences the provider.

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