

## **90 - Accounting Standards**

**(Rev. 30, 09-05-03)**

The HCPP's records must be capable of verification by qualified auditors and properly reflect all direct and indirect costs claimed by the HCPP under the agreement. This means that the HCPP's cost data must be based on an approved method of cost finding and on the accrual basis of accounting. However, if an HCPP is owned and operated by a Federal, state, or local government agency and operates on a cash basis of accounting, CMS accepts cost data on this basis, subject to appropriate treatment of capital expenditures.