



# Medical Education & Research Costs (MERC) Expenditure Report Manual

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INSTRUCTION GUIDELINE  
Fiscal Year 2019 Clinical Training

Minnesota Department of Health  
PO Box 64882  
St. Paul, MN 55164-0882  
(651)-201-3566  
[health.merc@state.mn.us](mailto:health.merc@state.mn.us)  
<https://www.health.state.mn.us/facilities/ruralhealth/merc/index.html>

08/01/2020

To obtain this information in a different format, call: 651-201-3838. Printed on recycled paper.

# MERC Expenditure Application Instructions

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# MERC Expenditure Application Instructions

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## Guideline

The Minnesota Department of Health (MDH) will collect clinical training expenditure as noted in Step 2 of the Medical Education and Research Costs (MERC) grant application process. Grantees are responsible for maintaining records (including, but not limited to, time certifications or time studies, payroll and purchasing records) that verify all expenses, whether categorized as direct or indirect, for six years from the end of the grant.

*The Clinical Training Expenditure Manual is a step-by-step instructions guide to help training sites complete the required MERC grant application expenditure report.*

## Application Instructions – All Users

The expenditure report must be completed no later than **December 15, 2020** using the application portal available at: <https://merc.web.health.state.mn.us>.

**PLEASE DOUBLE CHECK YOUR WORK. Once the expenditure report has been submitted using the online portal, sites will NOT have the ability to amend their information.**

## Materials Required to Complete Expenditure Report

Steps for completing the MERC Expenditure process.

**Step 1:** Review MERC Expenditure Instructions Manual

**Step 2:** Complete Preparation Worksheet: Prior to completing the clinical training expenditure report through the application portal, prepare clinical training expenditures using the [Preparation Worksheet](#). Sites should retain a copy of the spreadsheet as part of their records for auditing purposes.

**Step 3:** Login to MERC Application Portal and complete expenditure report. Use Preparation Worksheet to complete the expenditure report.

## Technical Assistance

For technical assistance please contact Paia Vang. Email correspondence should reference grant ID in the subject heading.

Minnesota Department of Health  
PO Box 64882  
St. Paul, MN 55164-0882  
(651)-201-3856  
[health.merc@state.mn.us](mailto:health.merc@state.mn.us)

# MERC Expenditure Application Instructions

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## MERC Grant Expenditures FY2019 Clinical Training Preparation Spreadsheet

The MERC Grant Expenditures FY2019 Clinic Training Spreadsheet is for training sites to utilize as a tool in completing the application portal expenditure report. Detailed instructions on how to complete the spreadsheet are provided on the worksheet.

Worksheet categorization:

- Gray tabs — Provide additional information and instructions
- Green tabs — Expenditure worksheets. Data entered on these worksheets will be used to guide users in completing the application portal expenditure report.
- Blue tabs — For training site's use in running their calculation or attaching supporting documentation.

Spreadsheet includes:

- Technical Assistance (gray tab)
- Definitions (gray tab)
- MERC Expenditures (green tab)
- Preceptor Time Factor (green tab)
- Trainee Stipends & Benefits (blue tab)
- Preceptors Stipends & Benefits (blue tab)
- Direct Operating Costs (blue tab)
- Incurred by Teaching Hospital (blue tab)
- Indirect Costs (blue tab)
- Federal Indirect Rate Agreement (blue tab)
- Funding & Support Received (blue tab)
- Additional Worksheets 1, 2, 3, 4, 5, 6, 7, 8, & 9 (blue tab)

The information entered into the application portal expenditure report may vary slightly due to rounding.

# MERC Expenditure Application Instructions

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## Costs Category Definitions

### Direct Cost

Direct costs are costs for activities, goods, or services that benefit, and can be traced, to a specific project. As much as possible, grant funds should support direct costs that correspond with program activities (as opposed to direct costs that correspond with administrative activities, as described in 'Operating Costs Directly Related to Training MERC Eligible Trainees').

### Student/Resident Trainee Stipends and Benefits

Trainee stipends are the salary or allowance paid to the residents/students of the program(s). Benefits are compensation provided to the residents/students in addition to their salary or allowance.

1. Only expenditures for trainees associated with the MERC grant application can be claimed.

### Faculty/Preceptor Stipends and Benefits

Salary and benefits paid to preceptors of the program(s) for direct clinical training.

1. Faculty stipend and benefits rate – The average annual salary/benefits for preceptors. If there are multiple preceptors, add their annual salary together and determine the average by dividing the total annual salary by the number of preceptors.
2. Preceptor time factor – The percent of time the preceptor spends in direct training.
  - a. Generally, the salary and benefits paid to those who serve as faculty/preceptor are not solely for teaching, and often their other duties include other clinical or administrative services; therefore, the time factor for clinical training is less than 100%. The exception to this is when the cost of teaching reflects the Medicare Cost Report where the calculations have already been adjusted and the costs associated with other services removed.
3. Faculty FTE – A preloaded formula calculates the faculty FTE based on the FTE trainee count multiplied by the faculty time factor.
4. Faculty costs – portion of faculty stipends/benefits attributed to direct training plus any flat preceptor training stipends.
5. Flat teaching stipend (paid by a teaching hospital) – If the preceptors receives a flat stipend specifically for time spent in direct teaching, enter the amount. The time factor does not affect this amount.
6. Preceptor Training Costs – (if applicable) Training costs associated with train-the-trainer for precepting, this does not apply to other training for the preceptor. (The time factor does not affect this amount.)

### Time Factor Reporting Methodology

Training sites must identify the methodology used in reporting their time factor.

# MERC Expenditure Application Instructions

## Methodology A:

### Extra Time Added to the Preceptor's Clinical Day for Precepting

- Formula calculation:

<b>Methodology A - Extra Time Added to the Preceptor's Clinical Day for Precepting</b>			
In this methodology, precepting added an extra [ X ] hour(s,) per day to the length of the providers workday. Extending the day by [ X ] hour(s). This method also works if, instead of working an extra hours, the preceptor saw fewer patients during their regular hours due to precepting; or seeing the same number of patients in the day when precepting takes place would add extra [ X ] hour(s) per day per student.			
	<b>Advanced Dental Therapists</b>	<b>Advanced Practice Nurses</b>	<b>Chiropractic Students</b>
Regular Hours (no precepting) (RH)	8	2080	7
Regular Hours + Precepting Hours per Trainee (RH + PH)	9	2450	8
Number of Precepting Hours (RH +PH) - RH	1	370	1
<b>Preceptor Time Factor</b> [ X ] Precepting Hours / [ X ] Regular Hours = [ X % ]	<b>12.50%</b>	<b>17.79%</b>	<b>14.29%</b>

Example 1) Use Methodology A when precepting added an extra hour per day to the length of the providers workday (extending an 8-hour day by one hour). Entries can also reflect the preceptor's standard annual FTE hours against the preceptor's annual hours worked. The standard annual FTE hours is typically 2080 hours each year (40/hrs. per week X 52 weeks = 2080 total hrs. per year). The "Number of Precepting Hours (RH + PH) – RH" and "Preceptor Time Factor" field will automatically calculate.

Example 2) Methodology A can also be use if instead of working an extra hour, the preceptor saw fewer patients during their regular hours due to precepting (or seeing the same number of patients in the day when precepting takes place would add an extra hour per day).

## Methodology B: Hospital Medicare Cost Report (**Hospital only**)

- Formula calculation:

<b>Methodology B - Hospital Medicare Cost Report (Hospital only)</b>			
The cost of teaching reflects the Medicare Cost Report where the calculations have already been adjusted and the costs associated with other services removed. Allowable teaching cost on the cost report are based on time studies. Time factor will be 100%.			
	<b>Advanced Dental Therapists</b>	<b>Advanced Practice Nurses</b>	<b>Chiropractic Students</b>
Total Resident Teaching Salaries	\$4,000,000		
(LESS) Resident Salaries	\$1,500,000		
Other Salaries	\$0		
(LESS) Part B Physicians	\$1,000,000		
<b>Total (Total removes Line 21 and Line 23)</b>	<b>\$1,500,000</b>	<b>\$0</b>	<b>\$0</b>
MERC FTEs	25.0000		
<b>Final Preceptor Stipend/Benefit Rate</b>	<b>\$60,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Preceptor Time Factor</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# MERC Expenditure Application Instructions

Methodology B should be use by hospital only. The cost of teaching reflects the Medicare Cost Report where the calculations have already been adjusted and the costs associated with other services removed. Allowable teaching cost on the cost report are based on time studies. Time factor will be 100%. In this example, the faculty/stipend benefit rate will be \$60,000 corresponding to the respective trainee types in column D row 46 through 60 of the MERC Grant Expenditures FY2019 Clinical Training Worksheet under the green “MERC Expenditure” tab.

## Methodology C: Patient Care Department Data /Preceptor Time Studies

- Formula calculation:

<b>Methodology C - Patient Care Department Data /Preceptor Time Studies</b>			
In this methodology, teaching time factor for [trainee type] in a [hospital] is estimated at a minimum of [ X ] hours per trainee based on time studies.			
	Advanced Dental Therapists	Advanced Practice Nurses	Chiropractic Students
Training Hours	350	15	2
Divided by FTE Hours of Preceptor	2,080	80	8
<b>Preceptor Time Factor</b>	<b>16.83%</b>	<b>18.75%</b>	<b>25.00%</b>

In this example, teaching time factor for [trainee type] in a [hospital] is estimated at a minimum of [350/15/2] training hours per trainee based on time studies.

## Operating Costs Directly Related to Training MERC Eligible Trainee

Expenses directly related to training MERC eligible trainees.

1. Administrative Support Costs: Are direct costs for activities, goods, or services that correspond with administrative functions directly related to training MERC eligible trainees. This include costs related to administrative record keeping, administrative materials, administrative support staff, supplies, postage, and printing.

When administrative costs benefit can be traced to a specific MERC related training, they should be categorized as direct costs. If administrative costs benefit more than one project and cannot be traced to a specific MERC related training program they should be categorized as indirect costs.

Grantees should minimize administrative costs so that grant funds support direct costs that are related to MERC training program activities.

Examples of administrative costs categorized as direct costs:

- a. A portion of the organization’s administrative support, accounting or human resources, calculated by tracking time spent by staff on a MERC related program.
- b. A portion of the organization’s occupancy costs, calculated by applying a square footage cost total to the amount of physical space used solely for MERC related grant program management and activities.

# MERC Expenditure Application Instructions

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Examples of administrative costs categorized as indirect costs:

- a. A portion of the organization's administrative support, accounting or human resources, when an internal system does not allow time to be tracked by project.
- b. A portion of the organization's occupancy costs, when it is not feasible or reasonable to calculate by project.
2. On-Boarding Costs Trainee: Include initial and recurring costs related to ACGME, certification, testing, lab coats, computer equipment, software, cell, pager, recruitment, and advertising.
3. Clinical Trainee Costs: Include costs related to malpractice insurance, conference training and travels, dues, subscriptions, books, food, parking and mileage, skills labs and simulation center, student/resident housing stipends, orientations, receptions, retreats, library, and IT/email/software licensing.
4. Operating Costs: Include costs related to fees paid to program sponsor(s), call room lease, security, housekeeping, non-preceptor clinical support staff related training, and MMCGME fees.

## Costs Incurred by Other Organizations

This section only applies to costs incurred by teaching hospitals, and are expenses that have been incurred during the course of the clinical training cycle that were paid by a third party.

If the third-party organization has also applied for the grant, only one applicant, not both, can report expenses. MDH recommends that expenses related to trainee FTEs be reported under the clinical training site where the training occurred; this ensures the costs associated with the trainees have a defined accounting trail.

The third-party organization must be named on the expenditure report.

Examples of costs incurred by other organizations:

1. Trainee stipends and benefits incurred by the teaching hospital for an outlying clinic.
2. Hosting fees incurred by teaching hospital for an outlying clinic.

## Funding/Support Received

### Clinical Education & Training Support Received (Non-MERC)

Financial resources provided by the government, person, or organization to support the training of residents/students at the clinical training site. The funding the organization receives from these sources reduces the clinical training expenditures claimed for the grant. Previous MERC grants should not be included.

Examples of clinical education and training support:

1. Medicare direct medical education.
2. Incurred direct cost on behalf of other organizations.
3. Federal or State GME grants or GME support.
4. GME donations.
5. GME private grants.

# MERC Expenditure Application Instructions

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## Indirect Costs

Indirect costs are costs for activities, goods, or services that benefit more than one project and cannot be traced to a specific program. These costs are often allocated across an entire agency and multiple programs. In accordance with federal and state requirements, MDH has limits on the amount of indirect costs that can be billed to each grant so grant funds can be used to support direct costs related to program activities.

1. As much as possible, grant funds should support direct costs.
2. Grant applicants cannot submit only indirect costs.
3. Operating expenses reported under direct costs must not be duplicated under indirect costs.

## Indirect Cost Rate

An indirect cost rate is a percentage used to distribute indirect costs to all of an organization's programs that benefit from them. Applicant cannot claim indirect costs in excess of the indirect cost rate that applies to their organization. Applicant must submit and retain on-file the corresponding documentation of that indirect cost rate as outlined below:

1. Applicants with a federally negotiated indirect cost rate can use grant funds for indirect costs in an amount up to but not exceeding that rate as applied to the grant's modified total direct costs.
  - a. Applicants must submit proof of the federally negotiated indirect cost rate agreement.
  - b. Applicants are responsible for ensuring that the rate is not applied to direct costs that are excluded from the indirect rate.
2. Applicants without a federally negotiated indirect cost rate can use grant funds for indirect costs in an amount up to but not exceeding 10% of the applicant's modified total direct costs.
  - a. Applicants must disclose expenses that are included in the indirect portion of the expenses.
  - b. Modified total direct costs (MTDC) consists of direct salaries, wages, and fringe benefits. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of sub-awards that exceeds \$25,000, as applicable.
  - c. Applicants are responsible for making sure costs are consistently charged to avoid charging the same eligible expense to the grant twice or 'double dipping.'

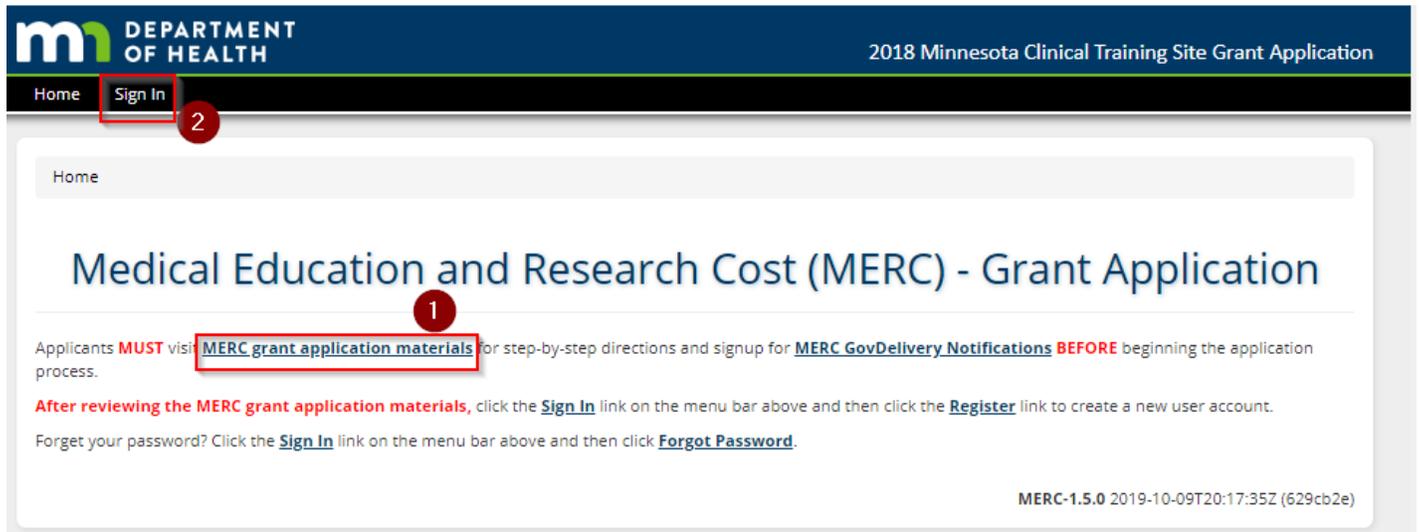
# MERC Expenditure Application Instructions

## Beginning the Expenditure Report Process

Applicants will be directed to Medical Education and Research Costs (MERC) Grant Application.

- In the black menu bar at the top of each page, users will find quick links.
- Just below the black menu bar, links to previous pages are available for navigation.
- Click, Sign In to begin.

Figure 1



1. Contains a link to the MDH website for instructions and grant details.
2. Click sign-in/register to begin.

# MERC Expenditure Application Instructions

## Grant Applicant Registration & Sign In

- Representatives who previously registered and completed the grant application will log in using existing email and password.

Figure 2

The screenshot shows the login interface for the MERC system. At the top left is the logo for the Minnesota Department of Health, featuring a stylized 'm' and the text 'DEPARTMENT OF HEALTH'. The main heading is 'Log in to merc-realm'. Below this are two input fields: 'Email' with the value 'diane.reger@state.mn.us' and an empty 'Password' field. There is a 'Remember me' checkbox which is checked, and a link for 'Forgot Password?'. A blue 'Log in' button is positioned below these fields. At the bottom of the form, there is a link that says 'New user? Register'. Two red callout boxes with arrows point to specific elements: one labeled '2' points to the email and password fields with the text 'Enter email/password used in registration. [Password is case sensitive.]', and another labeled '1' points to the 'Register' link with the text 'Register as a new user.'

1. If representative already registered during the application process, there is no need to register again.
2. Applicants who are already registered must enter their:
  - Email address.
  - Password.
  - Press, log in.

# MERC Expenditure Application Instructions

Figure 3

The screenshot shows the registration and email verification process for the MERC Expenditure Application. On the left, a list of requirements for email addresses is provided: each user must have a unique email address, it will be their username, it should not be a personal email address, and it should be from the organization they represent. The registration form in the center has fields for 'merc-realm', 'First name', 'Last name', 'Email', 'Password', and 'Confirm password', with a 'Register' button. On the right, the 'Email verification' section shows a warning that the user needs to verify their email address to activate their account. It states that an email with instructions has been sent, and provides a link to re-send the email if not received. A note below indicates that if someone else has created an account with the same email, they should click the link to verify their email address. The link will expire within 15 minutes, and users who didn't create the account should ignore the message. Red arrows and numbers 1, 2, and 3 highlight the registration fields, the Register button, and the email verification instructions, respectively.

1. When **registering for the first time**, complete each field.
  - Usernames are based on email.
    - Each registered user must have a unique email address.
    - Email must be with the organization you represent.
    - Do not use personal email.
2. Press Register.
3. User must verify email address within 15 minutes of registration.
  - Check email associated with the registration and following the instructions in the email.
  - Email servers have been known to block system generated emails to guard against phishing. Check your junk mail folder if your system is blocking messages from reaching your inbox.

**Passwords are case sensitive.**

**The application will remain active for 15 minutes without activity.**

**If left inactive, any unsaved data will be lost.**

## Sign Out

- Sign out is found on the top menu bar under the user's name.

# MERC Expenditure Application Instructions

## User Profile

Each user must complete a profile (name, job title, work phone, employer name, and their address at their place of employment). These fields are mandatory.

Figure 4

The screenshot shows the 'Manage User Profile' page. At the top, there is a navigation bar with the Minnesota Department of Health logo and the text '2018 Minnesota Clinical Training Site Grant Application'. Below the navigation bar, the page title is 'Manage User Profile'. The main content area is titled 'User Profile' and contains the following fields:

- Login Name: \*
- First Name: \*
- Last Name: \*
- Title: \*
- Email: \*
- Phone: \*

Below these fields is the 'Employer Information' section with the following fields:

- Name: \*
- Address 1: \*
- Address 2:
- City: \*
- Select State: \*
- Zip Code: \*
- Postal Code:

An 'Update' button is located at the bottom of the form.

- All data in the profile must correspond to the registered user.
- The user will be asked to update (verify) their profile each time they access the application.
- Email cannot be changed in profile. If your email changes, contact [health.merc@state.mn.us](mailto:health.merc@state.mn.us).
- Press update to verify the information.
- Changes to the user's profile will be reflected throughout the application where the user is named.
- Ability to Manage User Profile is also available on the top menu bar and the Home Screen (See Figure 5).

# MERC Expenditure Application Instructions

## Home Screen

- Link to instructions manual.
- Ability to manage user profile.
- Defines the applicant types.
- Applicant can access the relevant application by:
  - Clicking on the box under the applicant type.
  - Clicking Applications found on the top menu bar and selecting the relevant section.
  - Click Minnesota Clinical Training Site Grant Application to navigate to Clinical Training Site Application Expenditure Report.

Figure 5

The screenshot shows the Department of Health website interface. At the top, there is a navigation bar with the logo and the text 'DEPARTMENT OF HEALTH' on the left, and '2018 Minnesota Clinical Training Site Grant Application' on the right. Below the navigation bar, there is a dropdown menu for 'Applications' with the user email 'paia.vang@state.mn.us' displayed. The dropdown menu is open, showing three options: 'Minnesota Clinical Training Site', 'Minnesota Teaching Program', and 'Minnesota Sponsoring Institution'. The main content area is titled 'Medical Education and Research Cost (MERC) - Grant Application'. Under this title, there is a section for 'Grant Application' with a link to 'instructions' and a 'Manage User Profile' link. Below this is the 'Minnesota Clinical Training Site' section, which includes a description and a green button labeled 'Minnesota Clinical Training Site Grant Application'. The 'Minnesota Teaching Program' section includes a description and a green button labeled 'Minnesota Teaching Program Grant Application'. The 'Minnesota Sponsoring Institution' section includes a description and a green button labeled 'Minnesota Sponsoring Institution Grant Application'. A blue callout box with a white background and a blue border contains the text 'To access the application portal expenditure report, click on Minnesota Clinical Training Site Grant Application'. Two red arrows point from this callout box to the 'Minnesota Clinical Training Site Grant Application' button and the 'Minnesota Clinical Training Site' dropdown menu option.

# MERC Expenditure Application Instructions

## Minnesota Clinical Training Site

Step for this section:

1. Click on “Clinical Training Site Application” link.

Figure 6

DEPARTMENT OF HEALTH

2018 Minnesota Clinical Training Site Grant Application

Home Admin Applications paia.vang@state.mn.us

Home / Minnesota Clinical Training Site

### Minnesota Clinical Training Site

Clinical Training Site Tasks

- [Request Access To Clinical Training Site](#)
- [Manage Access to Clinical Training Site](#)
- [Clinical Training Site Demographics](#)
- [Clinical Training Site Application](#)
- [Reports](#)

Click here to access Training Site Application and Expenditure Report

# MERC Expenditure Application Instructions

## Clinical Training Site Applications

Steps for locating clinical training site application:

1. To locate training site application, user can choose the sort feature (up-down arrow), scroll down the page, or enter site name or grant application ID in the search box feature (#2 in figure 7).
2. Once the Training Site application has been identified – click the corresponding “Expenditure” button on the right (#3 in figure 7).
  - a. Sites with fewer than 0.10 clinical trainees do not meet the minimum qualifications to continue to Step 2 of the grant application process. A notice will appear on the page for sites that do not qualify. No expenditure button will appear.

Figure 7

DEPARTMENT OF HEALTH  
2018 Minnesota Clinical Training Site Grant Application

Home Admin Applications paia.vang@state.mn.us

Home / Minnesota Clinical Training Site / Clinical Training Site Applications

### Clinical Training Site Applications

Option to search by site name

2 Search:

1

Training Site	Training Year	Teaching Program and Sponsoring Institution	Action
<p>Type: HOSPITAL Location: MINNEAPOLIS MERC ID: [REDACTED]</p>	2018	<p>Teaching Program (Type) Total FTEs: 12.0</p> <p>Physician Assistant (Physician Assistants) Status: NEW</p>	<p>Edit</p> <p>View</p> <p>Expenditures</p>
<p>Type: HOSPITAL Location: MINNEAPOLIS MERC ID: [REDACTED]</p>	2018	<p>Teaching Program (Type) Total FTEs: 12.6733</p> <p>General Practice Dentistry (Dental Residents) Status: NEW</p> <p>Orofacial Pain (Dental Residents) Status: NEW</p> <p>Orthodontics (Dental Residents) Status: NEW</p> <p>Physician Assistant (Physician Assistants) Status: NEW</p>	<p>Edit</p> <p>View</p> <p>Expenditures</p>

Names, type, location, and MERC ID of Training site

3 Click here to access Expenditure Application

# MERC Expenditure Application Instructions

## Clinical Training Site Applications – Site not meeting FTE requirement

Grantee that does not meet the FTE requirement of 0.10 will received a message on their Clinical Training Site Application indicating expenditure report is not require.

Figure 8

[Home](#) / [Minnesota Clinical Training Site](#) / Clinical Training Site Applications

### Clinical Training Site Applications

Clinical Training Site Applications

Show 10 entries Search: not

Training Site	Training Year	Teaching Program and Sponsoring Institution	Action
<p>██████████ ██████████ Type: BILL ENTITY FOR MENTAL HEALTH Location: ██████████ MERC ID: ██████████</p>	2018	<p>Teaching Program (Type) Expenditures Not Submitted Total FTEs: 0.08 Expenditures Not Requested <b>** This site does not meet the minimum 0.10 FTE requirement, the site is not eligible for a grant. **</b></p> <p>Clinical Social Worker - ██████████ Status: TP-SUBMITTED FTEs: 0.08</p> <p>Sponsoring Institution ██████████ ██████████ Status: SP-SUBMITTED</p>	<p>View Application</p> <p>Amend Application</p>

# MERC Expenditure Application Instructions

## MERC Grant Clinical Training Expenditures

The expenditure report contain six main sections. It is recommended that users complete the MERC Grant Expenditures FY2019 Clinical Training spreadsheet prior to completing the online expenditure report.

The expenditure report sections contain:

- Site Application Information
- Expenditure Report Requirements
- Direct Costs
- Indirect Costs
- Expenditure Summary
- Signature of Authorized Representative

Figure 9

DEPARTMENT OF HEALTH

2018 Minnesota Clinical Training Site Grant Application

Home Admin Applications paia.vang@state.mn.us

Home / Minnesota Clinical Training Site / Clinical Training Site Applications / MERC Grant Clinical Training Expenditures

## MERC Grant Clinical Training Expenditures

Items with an \* are required.

Print Expenditures

- Site Application Information
- Expenditure Report Requirements
- Direct Costs
- Indirect Costs
- Expenditure Summary
- Signature of Authorized Representative

The expenditure report contain six main sections. Training sites should complete the MERC Grant Expenditure Clinical Training spreadsheet prior to completing the online expenditure report.

Save Submit Expenditures

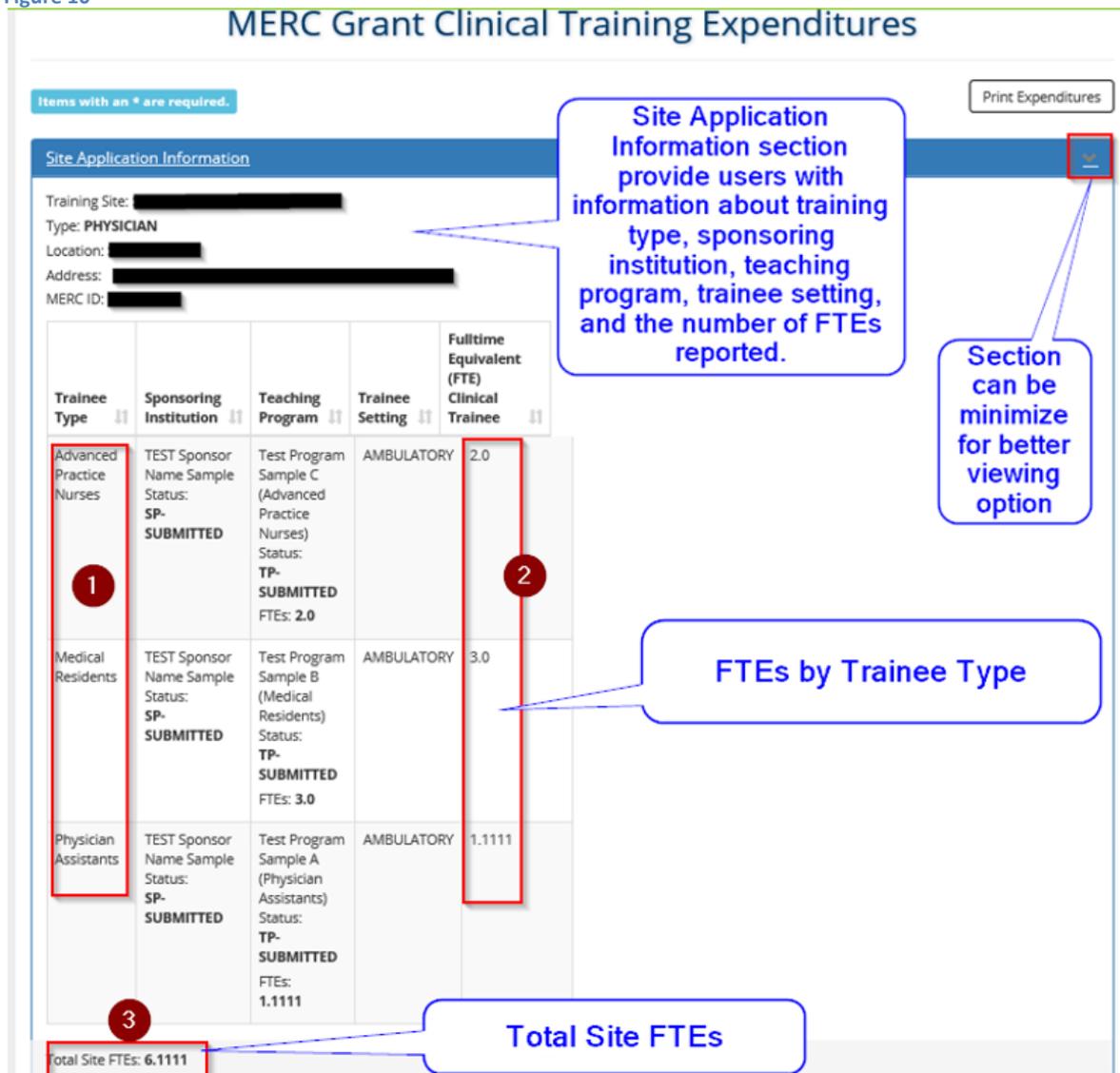
# MERC Expenditure Application Instructions

## Site Application Information

Steps for completing this section:

1. The information in this section will reflect the grant application.
2. Sites with fewer than 0.10 clinical trainees do not meet the minimum qualifications to continue to Step 2 of the grant application process. Sites meeting the minimum FTE requirement must submit an expenditure report by **December 15, 2020**. The FTEs for each Trainee Type will be required to complete the Clinical Trainee 2019 section within the MERC Expenditures tab of the MERC Grant Expenditure FY2019 Preparation Spreadsheet.
3. Sites can determine the total FTEs by trainee type by:
  - a) Running a training site report from within the grant application portal.
  - b) Refer to the summary section of the expenditure report.

Figure 10



# MERC Expenditure Application Instructions

## Expenditure Report Requirements

Sites are required to submit clinical training expenditures to continue the application process. If the training site chooses to withdraw their grant application and forgo reporting expenditures, follow the steps below to close the application process.

## Withdrawing the Grant Application

By withdrawing the grant application, the site will no longer be eligible for grant funding.

Steps for withdrawing grant application (figure 11):

1. Click the “Withdraw Grant Application” button.
2. An alert message will warn the site of their confirmation to withdrawal their grant application.

 I certify that the clinical training site I represent is opting out of the required clinical training expenditure report by withdrawing their MERC grant application. By withdrawing, I understand the site will not be eligible for a grant. This will close the grant application.

3. Representative authorization - click the box to certify approval to withdraw the grant application.

### Signature of Authorized Representative

I certify that I am an authorized representative approved by the facility named above. I have sufficient knowledge about the facility's MHCP enrollment, identification numbers used for Medicaid billing, and clinical medical education costs. I attest that the training facility hosted clinical trainees in fiscal year 2018. I am aware that the data I provide in the application and expenditure report will be used for grant eligibility and calculations. The data included is accurate and I will comply with all laws related to MERC statute 62J.692.

4. Authorized Representative's information will populate and serve as an electronic signature once certification box has been checked.

<b>Name:</b>
Paia Vang
<b>Title:</b>
Workforce Grant Administrator
<b>Email:</b>
paia.vang@state.mn.us
<b>Date Signed:</b>
11/08/2019

5. Click “Withdraw Grant Application” button to submit withdrawal request.

Save

Withdraw Grant Application

# MERC Expenditure Application Instructions

Figure 11

## MERC Grant Clinical Training Expenditures

Items with an \* are required. Print Expenditures

**Site Application Information**

**Expenditure Report Requirements**

Total Site FTE is **72.5543**. This facility meets the minimum total FTE of 0.10.  
Expenditure reports will be accepted until 5 pm on December 20, 2019. Grant applicants must adhere to the expenditure deadline to qualify.  
Grant amounts are determined based on the eligibility criteria and formula defined in Minnesota Statute 62J.692. Available funding will not exceed the facility's reported clinical training expenses for qualifying MERC programs and trainees.

Withdraw Grant Application 1

**⚠ I certify that the clinical training site I represent is opting out of the required clinical training expenditure report by withdrawing their MERC grant application. By withdrawing, I understand the site will not be eligible for a grant. This will close the grant application.**

**Signature of Authorized Representative**

I certify that I am an authorized representative approved by the facility named above. I have sufficient knowledge about the facility's MHCP enrollment, identification numbers used for Medicaid billing, and clinical medical education costs. I attest that the training facility hosted clinical trainees in fiscal year 2018. I am aware that the data I provide in the application and expenditure report will be used for grant eligibility and calculations. The data included is accurate and I will comply with all laws related to MERC statute 62J.692. 2

**Name:**  3

**Title:**

**Email:**

**Date Signed:**

4

# MERC Expenditure Application Instructions

## Direct Costs

Direct costs are costs for activities, goods, or services that benefit, and can be traced, to a specific project. As much as possible, grant funds should support direct costs that correspond with program activities (as opposed to direct costs that correspond with administrative activities, as described in 'Operating Costs Directly Related to Training MERC Eligible Trainees').

## Student/Resident Trainee Stipend & Benefits

Trainee stipends are the salary or allowance paid to the residents/students of the program(s). Benefits are compensation provided to the residents/students in addition to their salary or allowance.

Only expenditures for trainees associated with the MERC grant application can be claimed.

Steps for completing this section:

1. Enter in annual trainee stipends and benefit amount for each applicable trainee type. Only use whole numbers. (#1 in figure 12)
2. Click "Calculate Totals" to sum the cost category for Student/Resident Trainee Stipends & Benefits before proceeding to the next section. (#2 and 3 in figure 12)

Figure 12

The screenshot shows a web form titled "Student/Resident Trainee Stipends & Benefits". It contains a table with the following data:

Trainee Type	FTE Clinical Trainees	Trainee Stipends/Benefits (Annual)
Medical Residents	13.0	\$ Enter whole dollar or 0
PharmD Residents	35.0	\$ Enter whole dollar or 0

Below the table, there is a "Total cost" label and a "Calculate Totals" button. At the bottom, a summary bar shows "Student/Resident Stipends & Benefits: \$0.00".

Numbered callouts in the image:

- 1: Points to the input fields for annual costs, with the text: "Enter in annual cost(s) for each reported trainee type(s) related to trainee stipends/benefits."
- 2: Points to the "Calculate Totals" button, with the text: "Click 'Calculate Totals'"
- 3: Points to the "Total cost" label, with the text: "Total cost"

# MERC Expenditure Application Instructions

## Faculty/Preceptor Stipends & Benefits

Figure 12.1 and 12.2 illustrate the full length of the Faculty/Preceptor Stipends & Benefit section. To navigate, use the tab key to move between the fields or use the scroll bar at the bottom of the section. All fields will need to be completed in this section. Report cost using only whole numbers except for the preceptor time factor field where it will ask for a percentage.

Steps for completing this section:

1. The “?” under the cost categories provide detailed descriptions of cost items that may be included in that cost category.
2. Enter in cost for each cost category. Tab or scroll to the right to move through the section. (Utilize the time factor methodology worksheet and data collected in your excel spreadsheet to complete the fields.)
3. Select methodology used for each Trainee Type.
4. Click “Calculate Totals” to sum the cost category for Faculty/Preceptor Stipends & Benefits. (#5 and 6 in figure 13.1 or #2 and 3 in Figure 13.2)

Figure 13.1

The screenshot shows the 'Faculty / Preceptor Stipends & Benefits' application window. It features a table with columns for 'Type', 'Trainees', 'Preceptor Stipend & Benefits (Average Annual)', 'Preceptor Time Factor', 'Methodology', 'FTE', 'Calculated Faculty Cost', and 'Flat Teaching Stipend Paid'. The table contains two rows: 'Advanced Practice Nurses' and 'Clinical Social Workers'. A 'Calculate Totals' button is located at the bottom of the table. The total cost is displayed as '\$0.00'. Several callouts provide instructions: 1. Points to the cost input field for 'Advanced Practice Nurses'. 2. Points to the 'Methodology' dropdown menu. 3. Points to the 'Flat Teaching Stipend Paid' input field. 4. Points to the scroll bar at the bottom of the table. 5. Points to the 'Calculate Totals' button. 6. Points to the total cost field showing '\$0.00'. A yellow alert box at the top provides additional information about the 'Time Factor Methodology' and 'Flat Teaching Stipend Paid' and 'Preceptor Training Costs'.

Type	Trainees	Preceptor Stipend & Benefits (Average Annual)	Preceptor Time Factor	Methodology	FTE	Calculated Faculty Cost	Flat Teaching Stipend Paid
Advanced Practice Nurses	12.0	\$ Enter whole di	Enter percent %	---Select---		\$0.00	\$ Enter who
Clinical Social Workers	25.0	\$ Enter whole di	Enter percent %	---Select---		\$0.00	\$ Enter who

Total Faculty / Preceptor Stipends & Benefits \$0.00

# MERC Expenditure Application Instructions

Figure 13.2

Faculty / Preceptor Stipends & Benefits

Please use the scroll bar below to scroll right to view **Flat Teaching Stipend Paid** and **Preceptor Training Costs**.

**Time Factor Methodology**

- A. Extra time added to the preceptors day
- B. Hospital Medicare Cost Report
- C. Patient care department data/preceptor time studies

Enter in expenses for each cost category - use only whole numbers

pend	Preceptor Time Factor	Time Factor Methodology	Calculated Faculty FTE	Calculated Faculty Cost	Flat Teaching Stipend Paid	Preceptor Training Costs	Total
whole dt	Enter percent %	---Select--		\$0.00	\$ Enter whole dt	\$ Enter whole dt	\$0.00
whole dt	Enter percent %	---Select--		\$0.00	\$ Enter whole dt	\$ Enter whole dt	\$0.00

Scroll bar

Calculate Totals

Click "Calculate Totals"

Total Faculty / Preceptor Stipends & Benefits: \$0.00

# MERC Expenditure Application Instructions

## Operating Costs Directly Related to Training MERC Eligible Trainees

Steps for completing this section:

1. “?” provide additional detail, definitions, or cost items that may be included in each cost category.
2. Enter in cost for each of the cost categories. Tab or scroll to the right to move through the section.
3. Click “Calculate Totals” to sum cost categories.

Figure 14

The screenshot displays a web-based form titled "Operating Costs Directly Related to Training MERC Eligible Trainees". It features a table with the following columns: Trainee Type, Trainees, Admin Costs, On Boarding Cost Trainee, Clinical Trainee Costs, Operating Costs, and Total. The table contains two rows of data: Medical Residents (13.0 trainees) and PharmD Residents (35.0 trainees). Each row has input fields for Admin Costs, On Boarding Cost Trainee, Clinical Trainee Costs, and Operating Costs, all with a placeholder "Enter whole [unit]" and a red box around the unit label. A blue callout bubble points to the question mark icon in the Admin Costs column, stating: " "?" provide details of costs included in this cost category". Below the table, there is a "Calculate Totals" button with a red circle containing the number 2. To the right, another blue callout bubble points to the input fields, stating: "1 Enter costs - use only whole numbers". At the bottom of the form, the text "Total Operating Costs Directly Related to Training MERC Eligible Trainees: \$0.00" is displayed, with a red box around the value and a red circle containing the number 3.

Trainee Type	Trainees	Admin Costs ?	On Boarding Cost Trainee ?	Clinical Trainee Costs ?	Operating Costs ?	Total
Medical Residents	13.0	\$ Enter whole dc	\$ Enter whole doll	\$ Enter whole dol	\$ Enter whole doll:	\$0.00
PharmD Residents	35.0	\$ Enter whole dc	\$ Enter whole doll	\$ Enter whole dol	\$ Enter whole doll:	\$0.00

2 Calculate Totals

1 Enter costs - use only whole numbers

Total Operating Costs Directly Related to Training MERC Eligible Trainees: \$0.00 3

# MERC Expenditure Application Instructions

## Cost Incurred by Other Organizations

Steps for completing this section:

1. “?” provide additional detail, definitions, or cost items that may be included in each cost category.
2. Enter in cost for each of the cost categories.
3. Enter name of teaching hospital in the “Name of Teaching Hospital” field.
4. Click “Calculate Totals” to sum all cost categories.

Figure 15

Cost Incurred by Other Organizations

Only applies to **costs incurred by teaching hospitals** for an outlying clinic of the hospital.

Trainee Type	FTE Clinical Trainees	Trainee Annual Stipends & Benefits	Hosting Fees for MERC Eligible Trainees	Name of Teaching Hospital that Incurred the Expenses	Total
Medical Residents	13.0	\$ Enter whole dollar	\$ Enter whole dollar c	Enter Hospital Name	\$0.00
PharmD Residents	35.0	\$ Enter whole dollar	\$ Enter whole dollar c	Enter Hospital Name	\$0.00

Total Cost Incurred by Other Organizations: \$0.00

1 Enter in costs- Use only whole numbers

2 Enter in name(s) of Teaching Hospital

3 Calculate Totals

4

# MERC Expenditure Application Instructions

## Funding & Support Received

Steps for completing this section:

1. “?” provide additional detail, definitions, or cost items that may be included in each cost category.
2. Enter clinical education and training support costs for each of the cost categories.
3. Click “Calculate Totals” to sum up costs categories.

Figure 16

Funding & Support Received

Do **NOT** include MERC Grants.

Trainee Type	FTE Clinical Trainees	Medicare Direct Medical Education ?	Incurred Direct Cost on Behalf of Other Organizations ?	Federal GME Grants & Support ?	State GME Grants & Support ?	Other GME Support ?	Total
Medical Residents	13.0	\$ Enter whole	\$ Enter whole dollar c	\$ Enter wh	\$ Enter wf	\$ Enter wf	\$0.00
PharmD Residents	35.0	\$ Enter whole	\$ Enter whole dollar c	\$ Enter wh	\$ Enter wf	\$ Enter wf	\$0.00

**1**

**2** [Calculate Totals](#)

**3** Total Funding & Support Received: \$0.00

Enter in costs - use only whole numbers

# MERC Expenditure Application Instructions

## Indirect Costs

Indirect costs are costs for activities, goods, or services that benefit more than one project and cannot be traced to a specific program. These costs are often allocated across an entire agency and multiple programs.

### Non-Federally Negotiated Indirect Rate

If the site does **NOT** have a federally negotiated indirect cost rate, the site can claim up to **10%** of the grantee's modified total direct costs.

Steps for completing this section:

1. Click "NO" if there is not a federally negotiated indirect cost rate agreement.
2. Enter percentage of indirect cost rate claimed. (0 to 10 percent)
3. Provide a list of the indirect expense categories being claimed.

Figure 17

The screenshot shows the 'Indirect Costs' section of an application form. At the top, it asks 'Does site have a federally negotiated indirect cost rate?' with radio buttons for 'YES' and 'NO'. The 'NO' button is selected and highlighted with a red box and a callout bubble that says 'Click "NO" if site does NOT have a federally negotiated indirect cost rate agreement.' Below this, there is a field for 'Indirect Cost Rate (cannot be greater than 10% without a federal rate agreement):' with a callout bubble that says 'Site can only enter up to 10% of indirect cost rate'. The field contains the text 'Enter percentage as digit such as 10 or 1.2 %'. Below the rate field, there is a section titled 'No Federal Negotiated Rate' with a callout bubble that says 'Provide a list of indirect expenses categories.' This section contains a list of ten input fields, each labeled 'Enter Indirect Expense Category', with a red box around the entire list and a callout bubble that says 'Provide a list of indirect expenses categories.'

# MERC Expenditure Application Instructions

## Federally Negotiated Indirect Rate

If the site **has** a federally negotiated indirect cost rate, the site may claim indirect costs up to, but not exceeding, the site's federally negotiated indirect cost rate agreement as applied to the grantees modified total direct costs.

- Grantees must submit proof of the federally negotiated indirect cost rate agreement.
- Grantees are responsible for ensuring that the rate is not applied to direct costs that are excluded from the indirect rate.

Steps for completing this section (Figure 18.1 and 18.2):

1. Click "Yes" if site is claiming a federally negotiated indirect cost rate.
2. Enter in federally negotiated cost rate percentage.
3. Enter in federally negotiated indirect cost rate cap if applicable.
4. Upload a pdf copy of the federally negotiated indirect cost rate agreement.
5. Click box to certify document uploaded matches the indirect rate being claimed, applicable caps, and applicable exclusion reported.
6. Enter in indirect rate exclusions if applicable – use only whole numbers.
7. Click "Calculate Totals" to sum total of Federally Negotiated Indirect Rate Exclusion.

Figure 18.1

The screenshot shows the 'Indirect Costs' section of a web application. It includes a form with several fields and sections, each annotated with a numbered callout (1-5) and a blue text box explaining the step. Callout 1 points to the 'YES' radio button for the question 'Does site have a federally negotiated indirect cost rate?'. Callout 2 points to the input field for 'Indirect Cost Rate (cannot be greater than 10% without a federal rate agreement):'. Callout 3 points to the input field for 'Federally Negotiated Indirect Cost Agreement Cap (if applicable):'. Callout 4 points to the 'Select file to upload:' button in the 'Federally Negotiated Indirect Cost Rate Agreement' section. Callout 5 points to the checkbox 'I have verified the expenditures submitted reflect the federally negotiated indirect costs rate agreement and exclusions.' The bottom of the screenshot shows a table with columns for 'Filename', 'Download', and 'Remove', and a message 'No data available in table'.

**Indirect Costs**

Does site have a federally negotiated indirect cost rate?  YES  NO

Indirect Cost Rate (cannot be greater than 10% without a federal rate agreement):  
Enter percentage as digit such as 10 or 1.2: %

**Indirect Rate Exclusions**

Applicants with a federally negotiated indirect cost rate, indicate the percentage of indirect rate cap and attach a PDF copy of the federally negotiated indirect rate agreement. Applicant must identify direct costs that are named in the federal rate agreement as excluded from the indirect rate. Percentage cannot be applied to exclude costs. Applicant is responsible for assuring indirect costs do not include items excluded from the federally negotiated rate agreement.

Federally Negotiated Indirect Cost Agreement Cap (if applicable):  
\$ 0

**Federally Negotiated Indirect Cost Rate Agreement**

Upload pdf of the federally negotiated indirect cost rate.

+ Select file to upload:

I have verified the expenditures submitted reflect the federally negotiated indirect costs rate agreement and exclusions.

Filename	Download	Remove
No data available in table		

# MERC Expenditure Application Instructions

Figure 18.2

Federally Negotiated Indirect Rate Exclusions

Federally Negotiated Indirect Rate Exclusions (if applicable, enter total amount of direct costs that are excluded from indirect rate agreement)

Trainee Type	FTE Clinical Trainees	Indirect Rate Exclusions
Advanced Practice Nurses	6.0	\$ <input type="text" value="Enter whole dollar or 0"/>

1

2 [Calculate Totals](#)

Total Federally Negotiated Indirect Rate Exclusions:  3

Enter in indirect rate exclusions if applicable to training site - use only whole numbers

# MERC Expenditure Application Instructions

## Expenditure Summary

The summary report will list all direct costs (student/resident trainee stipends & benefits, faculty/preceptor stipends & benefits, and operating costs directly related to training MERC eligible Trainees), costs incurred by teaching hospital, indirect costs, funding and support received, total expenditure and total expenditure per FTE clinical trainee.

Slight variations may exist when comparing the spreadsheet totals to the application portal totals due to rounding.

Figure 19

Trainee Type	FTE Clinical Trainees	Direct Costs	Costs Incurred by Teaching Hospital	Indirect Costs (No Federal Rate Agreement)	Funding & Support Received	Total Expenditures (less funding & support received)	Total Expenditures per FTE Clinical Trainee
PharmD Residents	4.0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

**Total Expenditures (less funding & support received): \$0.00**

The Expenditure Summary will list each cost categories per Trainee Type and list the Total Expenditures (less funding & support received).

# MERC Expenditure Application Instructions

## Signature of Authorized Representative

Do not sign off until the report is final and ready to be submitted. Save the report to finalize at a later date, or sign off and submit using the instructions below.

**PLEASE DOUBLE CHECK YOUR WORK. Once the expenditure has been submitted using the online portal, sites will NOT have the ability to amend their information.**

Steps for completing this section:

1. Click box to certify that the information submitted is accurate, complies with all laws related to MERC statute 62J.692 and is the authorized individual to complete this report.
2. Authorized Representative's contact information will auto populate and serve as an electronic signature.
3. Click "Save" to save work.
4. Click "Submit Expenditures" to submit report.

Figure 20

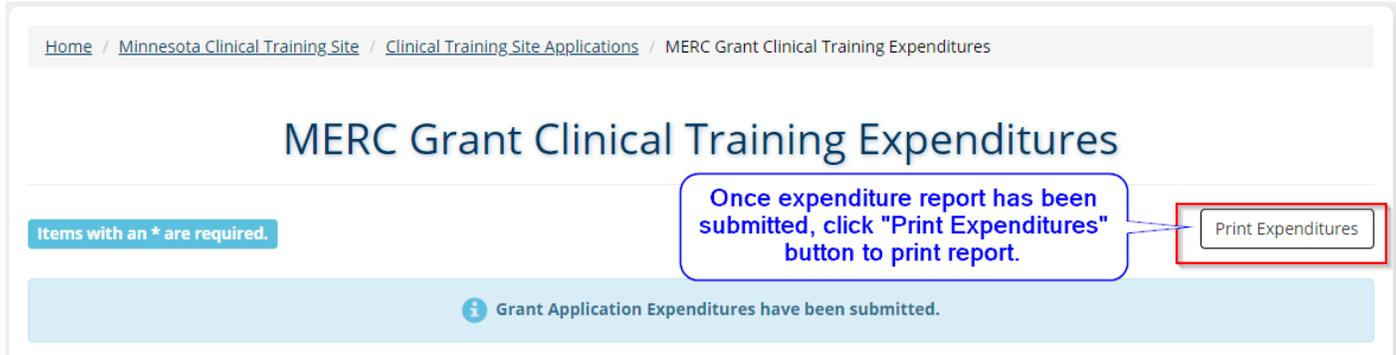
The screenshot shows a web form titled "Signature of Authorized Representative". At the top, there is a blue header bar with the title and a dropdown arrow. Below the header, there is a checkbox labeled "1" with the text: "I certify that I am an authorized representative approved by the facility named above. I have sufficient knowledge about the facility's MHCP enrollment, identification numbers used for Medicaid billing, and clinical medical education costs. I attest that the training facility hosted clinical trainees in fiscal year 2018. I am aware that the data I provide in the application and expenditure report will be used for grant eligibility and calculations. The data included is accurate and I will comply with all laws related to MERC statute 62J.692." Below the checkbox is a form with four input fields: "Name:", "Title:", "Email:", and "Date Signed:". A red box labeled "2" encompasses these four fields. To the right of the form is a blue callout box containing the text: "1) Click box to certify Training Rep whom is authorized to complete this report. 2) Name, Title, Email and Date of Signature will automatically populate once box has been click with Rep's info. 3) Click 'Save' to save work. 4) Click 'Submit Expenditures' once report is ready to be submitted." Below the form, there are two buttons: a green "Save" button and a white "Submit Expenditures" button. A red box labeled "3" encompasses both buttons.

# MERC Expenditure Application Instructions

## Submit Expenditure

Once the report has been successfully submitted, site can print a copy of the report for their record.

Figure 21



## Reports

Training sites can print a copy of their submitted expenditure report for record retention purposes.