20.28.143 COMPLETING SCHEDULE F-EQUIPMENT COST

(1) Equipment is an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of more than $5,000. Cost allowances relating to the use of fixed assets on hand may be made through depreciation or a use-allowance.

(2) If the depreciation method is used, records indicating the amount of depreciation taken each period must be maintained. For either method, charges must be supported by adequate property records, and physical inventories must be taken at least every two years (a statistical sampling approach is acceptable) to ensure that assets exist and are in use.

(3) Without a formalized equipment depreciation policy at the local level, a use-allowance of 6 2/3% with a 15-year write-off period is to be used to compute allowable equipment use-allowance charges.

(4) The following are allowable when computing equipment depreciation or use-allowance charges allocable to the state portion of the regional correctional facility:

(a) equipment meeting the governing body's established capitalization criteria;

(b) equipment used in the general operation of the regional correctional facility; and

(c) equipment used in programs in which state inmates participate.

(5) The following are not allowable when computing equipment depreciation or use-allowance charges allocable on the MDOC Per Diem Calculation Worksheet for Regional Correctional Facilities:

(a) payments to cash reserves for acquisitions made or planned after the accounting period of the cost submission;

(b) the cost of equipment received from the state government through the state surplus property program or similar programs or purchased with funds received from the state government specifically for the purchase of the identified piece of equipment;

(c) the cost of equipment contributed by or for the governing body, or a related donor organization, in satisfaction of a matching requirement;

(d) the cost of vehicles used for inmate transportation if the facility does not provide the state inmate transportation services;

(e) the cost of surplus, idle, fully depreciated, or inappropriate equipment items;

(f) the cost of equipment below the established capitalization threshold; and

(g) the cost of equipment in use in programs in which state inmates do not participate.

Authorizing statute(s): 53-30-507, MCA

Implementing statute(s): 53-30-507, MCA

History: NEW, 2007 MAR p. 36, Eff. 1/12/07.