20.28.137 COMPLETING SCHEDULE D-OTHER DIRECT OPERATING COSTS

(1) To be claimed on the MDOC per diem calculation worksheet, all direct costs must be reasonable and allowable under OMB Circular A-87 guidelines and supported by paid invoices, transactions listings, or general ledger entries. The following are examples of cost categories that can be claimed on the MDOC per diem calculation worksheet and the way in which they may be calculated:

(a) inmate compensation (calculated as actual cost);

(b) food and kitchen supplies (prorated using the bed ratio);

(c) inmate clothing (calculated as actual cost or prorated using the bed ratio);

(d) prescriptions (calculated as actual cost);

(e) medical care supplies (prorated using the bed ratio);

(f) bedding and linens (calculated as actual cost or prorated using the bed ratio);

(g) toiletries (calculated as actual cost or prorated using the bed ratio);

(h) employee uniforms, including shoes (only for facility staff, not including subcontractors and only if not included as a personnel benefit and prorated using the bed ratio);

(i) safety and sanitation supplies and services (prorated using the bed ratio);

(j) maintenance supplies (prorated using the bed ratio);

(k) office supplies and postage (calculated as actual cost or prorated using the bed ratio);

(l) minor tools and equipment. Current year purchases of equipment costing less than $5,000 (prorated using the bed ratio if applicable). The cost of equipment claimed here cannot be included on Schedule F-Equipment Cost for the purpose of computing allowable depreciation charges;

(m) recreation and education supplies. If any costs are reimbursed by the Inmate Welfare Fund, the reimbursement must be offset against the claimed cost (calculated as actual cost or prorated using the bed ratio);

(n) telephone and communication supplies (calculated as actual cost or prorated using the bed ratio);

(o) property insurance (prorated using the square footage ratio);

(p) employee training, education, conferences, and subscriptions related to the operation of the state portion of the facility;

(q) travel expenses (based on the regional correctional facility's per diem expense schedule or the state's schedule);

(r) interest (prorated using the bed ratio). Debt services (principle) is unallowable and any earnings on debt service reserve funds and interest earned on the borrowed funds pending payment of expenses must be offset against the claimed cost; and

(s) utilities (prorated using the square footage or volume ratio).

(2) Any amounts incurred in support of local court and/or law enforcement activities are not allowable. The following direct costs are not allowable:

(a) fees paid to other local governments for the housing of local prisoners;

(b) off-site hospital and medical care for state inmates if billed and paid separately by the state;

(c) alcoholic beverages;

(d) costs for transporting and producing local inmates at local court proceedings;

(e) contributions to a contingency reserve or any similar provision, such as for future vehicle or equipment purchases, or for any other events the occurrence of which cannot be foretold with certainty as to time, or intensity, or with an assurance of their happening;

(f) contributions and donations, including cash, property, and services regardless of the recipient;

(g) membership fees in organizations engaged in lobbying;

(h) legal expenses for prosecution of claims against the state and those incurred in connection with any criminal, civil, or administrative proceedings commenced by the state;

(i) fines, penalties, damages, and other settlements resulting from violations (or alleged violations) of, or failure of the governmental unit to comply with federal, state, local, or Indian tribal laws and regulations, except when incurred as a result of compliance with specific provisions of the contract between the state and the regional correctional facility;

(j) costs for entertainment, including amusement, diversion, and social activities and any costs directly associated with purchase of tickets to shows or sporting events, meals, lodging, rentals, transportation, and gratuities;

(k) required repayments of unused grant monies to grantors; and

(l) costs directly associated with any federal or state grants awarded to the regional correctional facility.

(3) All revenue generated from the regional correctional facility's operation must be offset against the direct costs claimed on the MDOC Per Diem Calculation Worksheet for Regional Correctional Facilities, Schedule D. Examples of credits that must be reported are:

(a) insurance rebates, recoveries, or indemnities on losses;

(b) employee meal program charges; and

(c) fees, other than inmate lodging costs, received from other jurisdictions for services provided.

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

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

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