20.28.122 GENERAL COST PRINCIPLES USED FOR CALCULATING PER DIEM

(1) To be allowable, costs must be reasonable, ordinary, necessary, and to some degree, benefit inmates housed in the state portion of the facility.

(2) Allowable costs must be:

(a) accounted for in accordance with generally accepted accounting principles;

(b) net of all applicable credits;

(c) adequately documented; and

(d) calculated in accordance with the United States Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments. Copies of OMB Circular A-87 can be obtained from the federal government or found on the U.S. Management and Budget web site at http://www.usdoj.gov/marshals/prisoner/omb87.pdf .

(3) Costs that do not benefit state inmates cannot be claimed on the MDOC Per Diem Calculation Worksheet for Regional Correctional Facilities.

(4) Costs may be direct if they have a direct benefit to state inmates or indirect if they only indirectly accrue to the benefit of state inmates. An example of a direct cost is the cost of prescription medication for state inmates. An example of an indirect cost is the cost for legal services, insurance, accounting, payroll, and human resources.

(5) Direct costs are further divided into costs that are shared and costs that are unshared. An example of a shared cost is the salary of the warden or administrator who spends some of his or her time managing the entire facility, both local and state portions. An example of an unshared cost is the case manager's salary who works only in the state portion of the facility.

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

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

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