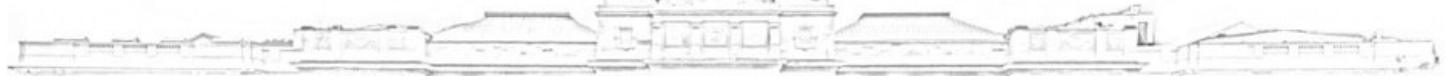




ADMINISTRATIVE RULES OF MONTANA



20.28.146 COMPLETING SCHEDULE G-BUILDING DEPRECIATION

- (1) A depreciation or use-allowance charge is allowed for all buildings utilized in the performance of the contract with the state. Without a formal building depreciation policy at the local level, a use-allowance not exceeding 2% of acquisition costs should be used to compute the allowable building use-allowance charge.
- (2) The original construction cost must be reduced by the amount of any department or federal grants used for the construction.
- (3) The following are allowable when computing building depreciation or use-allowance charges allocable to the contract with the department:
 - (a) the cost of building additions, renovations, and improvements; and
 - (b) the cost of land improvements, such as paved parking areas, fences, and sidewalks.
- (4) The following are not allowable when computing building depreciation or use allowance charges allocable to the contract with the state:
 - (a) the cost of land;
 - (b) any portion of the cost of buildings borne by or donated by the federal or state government;
 - (c) any portion of the cost of buildings contributed by or for the governing body unit, or a related donor organization, in satisfaction of a matching requirement; and
 - (d) cost assignable to space occupied by nondetention functions of the governing body.
- (5) Debt service is unallowable and any earning on debt service reserve funds and interest earned on the borrowed funds pending payment of expenses must be offset against the claimed cost.

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

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

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