

Chapter:	Finance		
Title:	Fixed Asset Depreciation		
Policy: <input checked="" type="checkbox"/>	Review Cycle: Biennial	Adopted Date: 03.03.2020	Related Policies:
Procedure: <input type="checkbox"/>	Author: Chief Financial Officer	Review Date: 05.09.2023	
Page: 1 of 2		Revision Eff. Date:	

Purpose

The purpose of this policy is to ensure Mid-State Health Network (MSHN) follows regulatory requirements when accounting for fixed assets and recording depreciation.

Policy

It is the policy of MSHN to record depreciation expense as outline in Governmental Accounting Standards Board (GASB) 34 and in accordance with the below Fixed Asset Depreciation Schedule.

- All equipment purchased with agency funds is the property of the MSHN.
- A fixed asset inventory record will be maintained for any item purchased or donated with an original cost, or if donated an assessed value at the time of acquisition, of \$5,000 or greater.
- Limited personal use of MSHN equipment is subject to guidelines approved by the Chief Executive Officer
- Depreciation will be expensed in accordance with GASB 34 and other pertinent accounting standards for all Fixed Assets.
- MSHN will dispose of all items of equipment that is no longer useful to the PIHP’s operations. Methods of disposal may include trade-in, transfer to another governmental agency, or other methods that are consistent with agency values. Items of equipment that are no longer in usable condition will be scrapped. MSHN will ensure all Protected Health Information (PHI) is removed prior to disposal and follow Michigan Department of Health and Human Services (MDHHS) contractual guidelines related to equipment disposition.

Fixed Asset Depreciation Schedule:

- Computer Equipment and Software: 3 years
- Vehicles: 5 years
- Office Equipment and Furniture: 5 years
- Building Improvements: 20 years
- Buildings: 30 years

Applies to:

- All Mid-State Health Network Staff
- Selected MSHN Staff, as follows:
 - MSHN CMHSP Participants: Policy Only Policy and Procedure
 - Other: Sub-contract Providers

Definitions:

Equipment: Durable items having a useful life of more than one year.

Fixed Assets: Durable items costing \$5,000 or more, having a useful life of more than one year, and are depreciated.

GASB: Governmental Accounting Standards

MDHHS: Michigan Department of Health and Human Services

MSHN: Mid-State Health Network

PHI: Private Health Information

PIHP: Pre-paid Inpatient Health Plan

Other Related Materials:

N/A

References/Legal Authority:

National Council of Governmental Accounting

Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants in 1989

2 CFR Section 200

Governmental Accounting Standard Bulletin (GASB) 34

Michigan Department of Health and Human Services Contract for 1115 Behavioral Health Demonstration Waiver Program, the Health Michigan Plan and relevant approved Waivers (Children’s Waiver Program (CWP), Habilitation Supports Waiver (HSW), Serious Emotional Disturbance (SED))

Change Log:

Date of Change	Description of Change	Responsible Party
12.04.2019	New Policy	Chief Financial Officer
01.2021	Biennial Review	Chief Financial Officer
01.2023	Biennial Review	Chief Financial Officer