

## DEPRECIATION – FY03 GUIDANCE

The AMPO is working to obtain an accurate report of depreciable items (MEDCASE and possibly other equipment with an acquisition cost of \$100K or greater purchased by the facility) to develop a true picture of the MEDCOM's depreciation expense. **The “other equipment” that could qualify for calculating depreciation should only be medical systems or pieces of equipment with an acquisition cost equal to or greater than \$100K that have been purchased by the facility.** In the past, the Army MEPRS Program Office has been using the Consolidated High Dollar Depreciation Report from AMEDDPAS to obtain the required information. However, with the recent and upcoming deployment of DMLSS, the report being generated is dependent upon logistics personnel inputting data having an understanding of depreciation. At the present, this is not the case and the information is severely inaccurate.

We are working with the DMLSS/AMEDDPAS Program Manager and developers to get the current report corrected to report only MEDCASE items. Until this can be accomplished much of the needed information will have to be gathered from several sources.

The MEDCASE Manager at each facility should have a listing of MEDCASE items and other equipment qualifying for depreciation currently located at each medical treatment facility. The MEDCASE Manager should be able to provide this listing. The MEPRS Office personnel should work with the MEDCASE Manager to identify the location of the equipment, and verify the acquisition cost. The acquisition cost can be verified from the DD 1155, Purchase Order. Included in the depreciation calculation should be the transportation and hardware installation cost. Site preparation costs should be excluded from depreciation calculation.

Some Logistics offices at the facilities have established “holding” accounts where equipment that is being received (pending issue to the workcenter), turned-in for disposal, or turned-in for repair. The MEDCASE items that have been placed in these accounts should not be included in the depreciation calculations.

Information necessary to calculate the depreciation is:

Location (MEPRS FCC)

FY Expensed

Date placed in Service

Acquisition Cost (equipment cost, transportation cost, HW installation cost)

Nomenclature (name of item)

Quantity

IAW CFO Guidance, the period of depreciation is changing from eight years to five years. The methodology is a five-year straight-line depreciation. This is easily calculated in EXCEL by using the SLN function.

The SLN function uses

acquisition cost (the initial cost of the equipment),  
salvage cost (the salvage cost at the end of the asset - should be zero),  
and the life (number of periods over which the asset is being depreciated (sometimes called useful life) – guidance dictates five (5) years)