

Library Depreciation Fund versus County Capital Improvement Fund

Based on a presentation created by Harold Blattie,
Montana Association of Counties

Library Depreciation Fund



- Fund established by city, county, or combination
- Money is used for “replacement and acquisition of property, capital improvements, and equipment necessary to maintain and improve city, county, or city-county library services.” MCA 22-1-305

Moneys for the Fund

- **Where does the money come from?**
 - Any unspent monies allocated to the library. MCA 22-1-306
- **What happens to the money in the fund?**
 - May be invested (we encourage this, so ask the person in charge of handling money to do this for you.) MCA 22-1-307
 - Interest should be credited back to the fund. MCA 22-1-307
- **How much money can we put in this fund?**
 - As much as you need, but don't treat it like a personal savings account

I want to spend money in the library depreciation fund, but the county is saying it has to cost more than \$5000

County Capital Improvement Fund



- What is this?
 - County, city, or special district can establish a capital improvement fund MCA 7-6-616
 - for the replacement, improvement, and acquisition of property, facilities, or equipment that costs in excess of \$5,000 and that has a life expectancy of 5 years or more.

What about money for this fund?

- Comes from any source of unspent allocations
- May be invested and any interest must be returned to the fund

So what's the difference?

County Capital Improvement

- Established by Governing Body
- Source: Any Source
- Interest Must Be Credited to Fund
- Purpose
 - Replacement, Improvement and Acquisition of Property or Equipment
 - Must Cost over \$5,000 and have Life of over 5 Years

Library Depreciation

- Established by Governing Body
- Source: Unspent Funds Allocated to Library
- Interest Must Be Credited to Fund
- Purpose
 - Replacement and Acquisition of Property, Capital Improvements and Equipment
 - No Restriction on Cost or Useful Life



Questions?