



**ACCOUNTING POLICY AND PROCEDURES (APP) MANUAL**

TOPIC: Section 11 – Institution Accounting 9.1	EFFECTIVE DATE: 08/22/1988
TITLE: Use of Repair and Maintenance Funds	REVISION DATE: 12/03/2018
AUTHORIZED BY: Deputy Director, Bureau of Fiscal Services	

**BACKGROUND**

The Department of Health Services (DHS) uses repair and maintenance (R&M) funds to cover both day-to-day upkeep of the institutions’ physical plants and expenditures on significant non-routine items in these areas.

“Routine R&M” expenditures include predictable items and activities typically handled by institution staff, such as minor roof repairs, painting and general maintenance of building mechanical systems and equipment, including belt and filter replacement, parts replacement, etc.

In addition, the non-routine or “Special R&M” expenditures include items which fall outside the day-to-day maintenance needs of the institution and may not always be predictable from a planning standpoint.

**POLICY**

All Special R&M projects over \$25,000 must be approved by the division overseeing the facility prior to final review and approval by the Department’s Engineering Section. Projects over \$5,000 should be reviewed to determine compliance with the procedures in APP 1.1 and 1.2, Capital Assets and coded as a capital asset if appropriate. The decision about whether a specific project should be funded as Special R & M or a State Capital Project will be facilitated by the DHS Engineering Section.

Expenditures **not** allowed from R&M funds include purchase of capital equipment unrelated to building systems and vehicle repair and maintenance.

**Qualifying Categories of Work**

The following categories of work qualify for Special R&M expenditures:

1. Repair of defective equipment, systems, or building structures to enable continued use for the purpose intended.
2. The replacement of defective portions of systems which are not repairable or are uneconomical to repair. Examples include replacement of:
  - Worn out pumps in heating systems, cooling systems, and in food service equipment.
  - Worn out compressors serving walk-in coolers/freezers or small air conditioning systems.
  - Building components such as doors, windows and “permanent” finishes, such as ceramic tile and resilient flooring.
  - Plumbing fixtures.
  - Food service equipment.
  - Asbestos abatement, when necessary as part of an R&M project.

3. Testing of existing systems and equipment to determine the need for and scope of repairs.  
Example: Eddy current testing of chiller tubes.
4. Acquisition of preventative maintenance systems, including computer software.
5. Specialized consultation and instruction to enable maintenance personnel to maintain sophisticated mechanical and electrical/electronic systems.
6. Other necessary building improvements to meet critical needs. This category of projects should be of a lower priority than those previously listed. However, building deficiencies identified by various regulatory agencies which seriously affect accreditation, licensing requirements, certification, etc., will receive priority.

#### **REFERENCES**

[Wis. Stat. § 20.435 \(2\) \(aa\)](#)

[DHS APP Section 8 – Capital Assets 1.1](#) (Use of Capital Account Codes)

[DHS APP Section 8 – Capital Assets 1.2](#) (Guidelines for Capital Asset Valuation)

#### **CONTACTS**

[BFS Lead Accountant](#)

[Director, Bureau of Continuity Management, Facilities and Operations](#)

[Engineer, Facilities Management Section](#)