

NEW YORK STATE  
RESIDENTIAL HEALTH CARE FACILITY  
ACCOUNTING AND REPORTING MANUAL

ACCOUNTING PRINCIPLES (Cont'd)

in the unrestricted fund, since segregation in a separate fund would imply the existence of restrictions on the use of the asset. Costs of construction in progress and related liabilities should be recorded in or transferred to the unrestricted fund as incurred except for assets and liabilities related to the proceeds of debt. See section on Accounting for Debt Proceeds.

Basis of Valuation

Property, Plant and Equipment must be recorded on the basis of cost. Cost shall be defined as historical cost or fair market value at the date of gift for donated property, less any applicable salvage value.

Accounting Control

To maintain accounting control over capital assets of the nursing home, a plant asset ledger should be maintained as part of the general accounting records. Some items of equipment should be treated as individual units within the plant ledger when their individuality and unit cost justify such treatment. Other items of equipment, if they are similar and are used in a single cost center, may be grouped together and treated as a single unit within the ledger. The plant ledger should be segregated by cost center so that the cost of equipment and the related depreciation for each center is available. Those providers who are not able to identify historical costs and depreciation by department for major movable acquisitions prior to January 1, 1978, can use square feet net to allocate depreciation by department. All additions to major movable equipment as of January 1, 1978 and thereafter must be identified by cost center.