

ASSISTIVE TECHNOLOGY BUY OUT METHODOLOGY

Guidelines have been developed to facilitate the “buy out” of assistive technology devices that have been purchased for a child enrolled in the First Steps early intervention system. There are occasions when an assistive technology device, purchased by the First Steps system, remains appropriate for ongoing use by the eligible child. As service coordinators begin the discussions with families whose children are transitioning from First Steps system to other agencies or programs, the following steps provide direction for the establishment of a purchase price. This methodology is based on OMB Circular A-87 establishing a process for equipment depreciation.

When families or agencies wish to purchase the assistive technology devices, the following steps must be followed:

1. Obtain a copy of the original purchase invoice
2. Determine the life expectancy of the equipment
 - Devices utilizing computerized technology, such as some augmentative communication devices, have a life expectancy of five (5) years.
 - Most other equipment has a life expectancy of seven (7) years.
3. Divide the cost of the equipment (including any modification/adaptation costs)¹ by the life expectancy to determine annual cost
4. Calculate the depreciated value by multiplying the remaining years of life expectancy by the annualized value.² This will result in the “buy out” price of the equipment.³

Example: The purchase price of an augmentative communication device was \$5000. The life expectancy of the device is five (5) years. The annualized value is \$1000. The device is one year old and has a remaining life expectancy of four (4) years. Multiply the annual cost (\$1000) by remaining years (4) which yields a depreciated purchase value of \$4000.

5. Submit the written request to your First Steps Program Consultant with supporting documentation (refer to steps 1-4).
6. Upon written approval by your consultant, a check payable to FSSA, with “Buyout Reimbursement” written on the face of the check, must be submitted to your Program Consultant for the total purchase price. Program Consultants must forward the check to Financial Management E442.
7. Once the check has been received, a receipt will be issued.

¹ The cost of initial training or programming should not be included in the original cost figure.

² In determining the age of the equipment, it is appropriate to round to the nearest year.

³ As a device reaches the end of its useful life expectancy, more consideration should be given to the purchase of new equipment as opposed to “buy out” of the current equipment.