

EQUIPMENT INVENTORY

Equipment with a value of \$5,000 or greater must be inventoried, capitalized and depreciated through the Enterprise Resource Planning (ERP) system. Equipment with a value of less than \$5,000.00 are not capitalized through the ERP system and should be maintained by the responsible location Business Office.

Capitalized Equipment Inventory:

Equipment should be capitalized and maintained on the ERP system if all the following criteria are met:

- a. the item cost is at least \$5,000;
- b. the item is tangible, personal property;
- c. the useful life of the item is more than one year; and
- d. the item is able to function by itself.

All equipment items with a unit value of \$5,000 or greater, including accessories, installation, sales tax and shipping, shall be recorded in the Fixed Asset Module of the ERP system. Essential information required by the Education Code is description, name, identification number, original cost, date of acquisition, location of use, and the time and mode of disposal.

The system is based upon the following:

- a. recording the permanent location for each item including building and room number;
- b. temporary relocation of an item to be approved by the responsible employee (need not be reflected in the control system);
- c. permanent relocation or disposition of an item to be approved in advance by the Chief Administrative Services Officer and the Director of Purchasing;
- d. **permanent relocation or disposition to be accomplished only by authorized staff**, after notice to Purchasing, who will enter the change of location or status on the fixed asset record in the ERP system; and
- e. a physical check of all items to be accomplished on a periodic basis by the District Purchasing department or Internal Audit staff.

Minor Equipment Inventory (Non- Capitalized Equipment)

It is the responsibility of the District or college Business Office to maintain, safeguard, and dispose of equipment with a unit value of less than \$5,000.

Minor equipment will be inventoried and tracked through the Districtwide Asset and Access Device Database as outlined in Business Procedure 10.55, Asset Control.

Physical Inventory

District Finance prepares a listing of all equipment owned by each campus at the end of each fiscal year. Each campus must verify the items on the list and note any corrections before returning the list to District Finance. Campuses must also assist auditing staff when they are conducting the physical inventory. The physical inventory will be performed throughout the fiscal year and a formal physical inventory audit will be performed at least once every five years.