

AP 6510 Inventory of District Property

I. Inventory Records

The CBO will arrange for an annual inventory of District assets. The following guidelines are currently being followed with regards to the annual inventory:

- A. The annual inventory will be conducted throughout the year by Fiscal Services.
- B. The inventory records produced by the Fiscal Services will provide the necessary data to complete the Capital Assets Note to Financial Statements included in the District's Annual Financial Report. The data will be presented in the Annual Financial Report using the following categories: land, construction in progress, site improvements, buildings and improvements, and equipment (which includes District vehicles).
- C. 100% of all equipment and vehicles shall be re-inventoried each fiscal year at all locations.
- D. The District's buildings and land shall be re-inventoried every five years, however, new projects are being added annually to the inventory records as they are completed and put into service.
- E. The inventory records will include depreciation calculations and replacement value for insurance purposes in the case of a loss.

II. Inventory Thresholds and Cost Basis

The following thresholds and determinations of cost basis are currently being implemented:

- A. The capitalization threshold for equipment is \$5,000. New items are valued at their purchase price, old items are valued at their historical acquisition cost, and donated items are valued at their estimated fair market value at the time of acquisition. In order to comply with GASB 35, all equipment purchased for \$5,000 or more is charged to GASB object codes in the accounting books and records. The total of all expenditures in the GASB object codes is then balanced at year-end to the capitalized equipment additions and added to our inventory listing. Adjusting entries for donated assets may be required to reconcile the general ledger GASB object codes expenditure totals to the inventory additions.
- B. The capitalization threshold for capital construction, building improvements/maintenance, and site improvements is \$150,000, as recommended by the Fiscal Standards and Accountability Committee for the California Community Colleges. Building improvements/maintenance will only be inventoried if they extend the useful life of the building. The value of capital construction and improvements will be based on the actual cost of the improvement as reflected in the accounting records.

- C. The District retains the authority to inventory equipment at a lower level, if there is a local need to do so. Current practice is to tag and inventory items valued at \$500 or more for insurance purposes and to deter theft or misuse.

III. Transfer of Inventoried Assets

Requests to transfer inventoried technology equipment will be submitted to the Computer Support Services Department Help Desk. All other requests for inventoried equipment transfer should be submitted to the Facilities Department through their on-line work order system. After the inventory is transferred by the Information Technology Department or the Facilities Department, the information is given to Fiscal Services to update the District Asset Management System.

Approved by CPC 05/28/19

Approved by the Board of Trustees: 08/14/19