

CENTRAL SERVICES PROCEDURE—ACCOUNTING

ACCOUNTING FOR EQUIPMENT

Purpose: To give direction to staff on accounting for equipment.

Object Code:

Individual equipment items costing **less than \$5,000** must be charged to equipment object code #56400.

Individual equipment items costing **\$5,000 or more** must be charged to equipment object code #56450.

Sales Tax, Installation/Set-Up Costs, Shipping Costs:

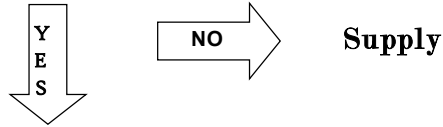
All costs associated with obtaining a piece of equipment should be included when analyzing the capitalization threshold.

References:

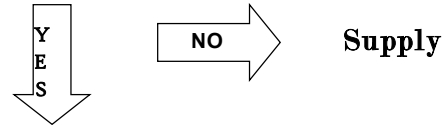
- CCC's Accounting Advisory No. 2001-01 dated June 18, 2001
- 2012 Edition of the CCC Budget & Accounting Manual
- Governmental Accounting Standards Board (GASB) 34 & 35

Guidelines for Distinguishing Equipment from Supply Items

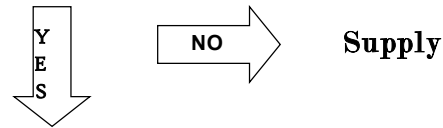
Lasts more than two years



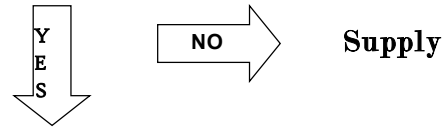
Repair Rather than Replace



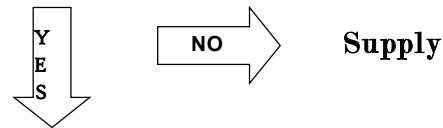
Independent Unit Rather Than Being Incorporated into another Unit Item



Cost of tagging and inventory small percent of item cost



Exceeds minimum dollar value established by Budget and Accounting Manual



Equipment

Effective Date: 11/2001

Updated: 10/2022

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