Purpose: To give direction to staff in defining and assessing value of fixed assets.

Depreciation Method:

YCCD will use the “straight-line” method for depreciating its fixed assets.

Fixed Asset Categories, Useful Lives, and Thresholds:

YCCD will use the following table to determine useful lives and thresholds for the various Fixed Asset categories.

<table>
<thead>
<tr>
<th>Fixed Asset Categories</th>
<th>Useful Life</th>
<th>Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Land (Site) Improvements</td>
<td>10 years</td>
<td>$100,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>50 years</td>
<td>$150,000</td>
</tr>
<tr>
<td>Building Improvements/Additions</td>
<td>30 years</td>
<td>$100,000</td>
</tr>
<tr>
<td>Mobile Buildings</td>
<td>25 years</td>
<td>$50,000</td>
</tr>
<tr>
<td>Equipment (including vehicles)</td>
<td>8 years</td>
<td>$5,000</td>
</tr>
<tr>
<td>Technology Equipment</td>
<td>3 years</td>
<td>$5,000</td>
</tr>
<tr>
<td>General Software</td>
<td>3 years</td>
<td>$5,000</td>
</tr>
<tr>
<td>Administrative Software</td>
<td>10 years</td>
<td>$100,000</td>
</tr>
<tr>
<td>Library Books</td>
<td>7 years</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Cost Basis:

Assets are valued at historical cost.

Fixed Asset Database:

The Senior Accountant will maintain the YCCD fixed asset database. Additions to the database will be entered using actual vendor payment information.

Questions concerning asset classifications and inventory process will be discussed by the Fixed Asset Committee which is comprised of the Senior Accountant, the Internal Auditor and the Controller.

The Senior Accountant will run depreciation calculations and final Fixed Asset reports at year-end. This information will be included in the District’s annual financial statements.

Equipment:

Accounting

Equipment-type items costing less than $5,000 must be charged to object code #56400. Equipment costing $5,000 or more must be charged to object code #56450.
Receiving

Non-electronic equipment items costing less than $5,000 that are pilferable will be labeled “Property of YCCD.” Electronic equipment items costing less than $5,000 (e.g., computers, printers, cameras, etc.) will be tagged with a “Property of YCCD Tracking #XXXXX” label which includes a tracking number for warranty purposes, only. Receiving will tag equipment items costing $5,000 or more with an asset number/bar code sticker for inventory purposes. If the dollar amount is close to the $5,000 threshold, Receiving should consult with accounting. If total cost of an individual item including tax, shipping, etc. totals $5,000 or greater, an asset number tag will be used.

After tagging electronic equipment items costing less than $5,000, Receiving will key the corresponding Tracking Number and Purchase Order Number into a spreadsheet for warranty tracking purposes. Media will use this data along with the Datatel system to see if equipment repairs are covered under warranty. Data may be purged for equipment after it becomes more than three (3) years old, as it will no longer be covered by warranty.

Accounts Payable

After the final invoice is paid for an equipment item costing $5,000 or more, Accounts Payable will give a copy of the P.O. to the Senior Accountant so that the item can be entered into the database. Equipment items costing less than $5,000 will not be entered into the inventory system. Data to be entered into the inventory system is as follows:

- Asset #
- Purchase Order #
- Voucher #
- Manufacturer
- Description
- Cost (including installation costs, shipping costs, and sales tax)
- Model #
- Serial #
- Responsibility code
- Location (site, building, room)
- Special Funding (e.g., Federal Grant)
- Activity
- Steward

Special Considerations

**Department Determinations** – The location of the equipment will determine the department code, not the source of funding.

**Federal Equipment Determination** – If a federal program helps fund a piece of equipment greater than $5,000, the equipment is only considered to be “Federal” if the Federal Grant’s share equals or exceeds $5,000.

**Donations** – Donated fixed assets will be recorded at their estimated fair value at time of acquisition if they are greater than $5,000.

**Trade-ins** – Trade-ins appear on requisitions as a credit on the purchase of a new piece of equipment. Trade-ins must be removed from the inventory system and new equipment must be entered into the inventory system at cost before trade-in. The Senior Accountant will maintain a file of trade-ins for internal audit purposes.

**Transfers and Disposals** – Departments must complete the electronic Asset Transfer form or notify Receiving by e-mail of any transfers or disposals of equipment. Receiving will notify the Senior Accountant of transfers/disposals so the location data can be adjusted.
**Furniture** – Individual furniture items costing $5,000 or more must be charged to object code #56450. Workstations comprised of individual parts each less than $5,000 should be charged to object code #56400.

**Federal Grants** – The threshold for equipment purchased with Federal Grant funds is $5,000. The requisitioner is responsible for indicating “Federal Funds” in the “Comments” section of the REQM screen for these purchases. Receiving is responsible for checking the “Comments” section for “Federal Funds” so that they can affix a federal sticker to the item in addition to the asset number sticker. Senior Accountant will enter these items into the inventory system being sure to use the Federal Asset Category.

**Historical Treasurers:**

Historical treasures are artwork or collections that hold significant value. Accounting will periodically survey the campuses to determine whether or not such historical treasurers exist. Once located their value at the time of acquisition will be estimated and disclosed as a footnote in the annual audit report.

**Effective Date:** 07/2001  
**Reviewed:** 05/2009

**Questions:** Deborah Campbell, Controller (X6527)