

## CENTRAL SERVICES PROCEDURE—ACCOUNTING

### *PHYSICAL INVENTORY OF FEDERAL EQUIPMENT*

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**Purpose:** According to Federal Compliance Requirements, “a physical inventory of equipment shall be taken and the results reconciled with the property records at least once every two years to verify the existence, current use and continued need for the equipment. A statistical sampling basis is acceptable.” This procedure will ensure that we comply with the above requirement.

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#### **Federal Grant Managers:**

Requisitions for capital equipment items  $\geq$ \$5,000 must state “**Federal Funds,**” in the comment section. This notation on the requisition will alert Purchasing and Receiving to special handle the order. When the above-mentioned equipment is moved to a new location (room or building), disposed of, sold or traded-in, Federal Grant Managers must complete the electronic Asset Transfer form on the yosemite.edu or notify the Fixed Asset Accountant by e-mail. In addition, the Manager must disburse any residual amount received from such disposition in accordance with federal regulations, since the federal government may have rights to a portion of the residual amount, net of administrative expenses (see Code of Federal Regulations, Title 34, Part 74, Sections 138 and 139).

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#### ***Purchasing:***

Purchasing will stamp the Receiving Department’s copy of the purchase order as follows:

*“Federally Purchased Equipment - Inventory Required”*

Every year the Director of Purchasing will coordinate the physical inventory of federal equipment using an accepted sampling method, on alternating campuses.

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#### ***Receiving:***

Receiving will place a separate inventory tag of a distinctly different color, stating “FED GOV FUNDED”, on federal equipment, along with the regular district asset inventory tag. The asset number will be recorded on a copy of the purchase order.

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#### ***Accounting:***

The Fixed Asset Accountant will maintain a list of equipment purchased with federal funds in Datatel. In addition, s/he will remove an asset from the database or change the location when notified by the department. At the end of each fiscal year, the Fixed Asset Accountant will submit a list of all federal equipment to the Internal Auditor.

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#### **Internal Audit:**

Every year, the Internal Auditor will compare additions to the federal equipment inventory listing to equipment expenditures in the federal program accounts to ensure the proper tagging and tracking of equipment over \$5,000 (allowing for equipment expenditures under \$5,000 which are not inventoried).

**Effective Date:** 04/1997

**Updated:** 05/2009

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