



Policy

6-8013 Control of Fixed Assets

An up-to-date fixed assets inventory shall be maintained. Overall responsibility for this function rests with the Vice Chancellor of Fiscal Services.

The Chancellor is delegated the authority to act as the Board’s negotiator regarding all property management matters that are necessary for the benefit of the District. No transaction regarding the lease, sale, use or exchange of real property by the District shall be enforceable until acted on by the Board itself.

The Chancellor shall establish such procedures as may be necessary to assure compliance with all applicable laws relating to the sale, lease, use or exchange of real property by the District.

References:

Education Code Sections [81300 et seq.](#)

Adopted: June 28, 2004

Revision Adopted: March 11, 2020

Last Reviewed: March 11, 2020

Administrative Procedure

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6-8013 Control of Fixed Assets

- I. The Depreciation Method used by the District will be the “straight line” method for depreciating Fixed Assets. Depreciation is to be calculated as of acquisition date.
- II. Fixed Asset Categories, Useful Lives, and Thresholds.
 - A. YCCD will use the following table to determine useful lives and thresholds for the various Fixed Asset categories.

	Useful Life		Threshold
Land	n/a		n/a
Land (Site) Improvements	10 years	*	\$ 100,000
Infrastructure	n/a		\$ 500,000
Buildings	50 years	*	\$ 150,000
Building Improvements/Additions	30 years		\$ 100,000
Mobile Buildings	25 years		\$ 50,000
Equipment (including vehicles)	8 years	*	\$ 5,000
Technology Equipment	3 years	*	\$ 5,000
Historical Treasures	n/a		n/a
Software	3 years		\$ 5,000
Library Books	7 years		None

- III. Cost Basis. Assets are valued at historical cost.
- IV. 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, Director of Purchasing, and Director of Accounting, Grants & Compliance. The Controller will make final determinations, when necessary.
 - 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.
 - A. 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.
 - B. Receiving

1 Non-electronic equipment items costing less than \$5,000 that are pilferable should be labeled
 2 “Property of YCCD.” Electronic equipment items costing less than \$5,000 (e.g., computers,
 3 printers, cameras, etc.) will be tagged with a “Property of YCCD Tracking #XXXXX” label, which
 4 includes a tracking number for warranty purposes only. Receiving will tag equipment items
 5 costing \$5,000 or more with an asset number/bar code sticker for inventory purposes. If the
 6 dollar amount is close to the \$5,000 threshold, Receiving should consult with Accounting. If total
 7 cost of an individual item, including tax, shipping, etc., totals \$5,000 or greater, an asset number
 8 tag will be used.
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10 After tagging electronic equipment items costing less than \$5,000, Receiving will key the
 11 corresponding Tracking Number and Purchase Order Number into a spreadsheet for warranty
 12 tracking purposes. Media will use this data along with the Colleague system to see if equipment
 13 repairs are covered under warranty. Data may be purged for equipment after it becomes more
 14 than three (3) years old, as it will no longer be covered by warranty.
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16 C. Accounts Payable
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18 Once items are received, Receiving notifies Accounts Payable to process payment and enters the
 19 item information and asset number into Colleague’s inventory system. After the final invoice is
 20 paid for an equipment item costing \$5,000 or more, Accounts Payable will give a copy of the
 21 Purchase Order to the Senior Accountant to enter the additional information into Colleague.
 22 Equipment items costing less than \$5,000 will not be entered into the inventory system. Data to
 23 be entered into the inventory system is as follows:
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- 25 1. Asset #
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- 27 2. Purchase Order #
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- 29 3. Vendor Name
- 30
- 31 4. Manufacturer
- 32
- 33 5. Description
- 34
- 35 6. Amount (including accessories, installation costs, training services, shipping costs, and sales
- 36 tax, service warranties, and other related initial costs)
- 37
- 38 7. Depreciation Useful Life
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- 40 8. Model #
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- 42 9. Serial #
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- 44 10. Department #
- 45
- 46 11. Responsibility code
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- 48 12. Subfund(s) and percentage of allocation
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1 13. Location (Site, Building, Room)

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3 14. Special Funding (e.g., Federal Grant, Economic Development Grant)

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5 D. Internal Audit

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7 At the end of the fiscal year, the Director of Accounting, Grants & Compliance will verify that the
8 total amount of current year additions to the inventory system correlates to the charges to
9 object code #56450.

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11 E. Special Considerations

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13 1. Department Determinations. The location of the equipment will determine the department
14 code, not the source of funding.
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16 2. Federal Equipment Determination. If a federal program helps fund a piece of equipment
17 greater than \$5,000, the equipment is only considered to be "Federal" if the Federal Grant's
18 share equals or exceeds \$5,000.
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20 3. Trade-ins. Trade-ins appear on requisitions as a credit on the purchase of a new piece of
21 equipment. Trade-ins must be removed from the inventory system, and new equipment must
22 be entered into the inventory system at cost before trade-in. Senior Accountant will maintain
23 a file of trade-ins for internal audit purposes.
24
25 4. Transfers and Disposals. Departments must complete the electronic Fixed Asset Tracking
26 form for Accounting and notify Receiving by e-mail of any transfers or disposals of equipment.
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28 5. Furniture. Individual furniture items costing \$5,000 or more must be charged to object code
29 #56450. Workstations comprised of individual parts each less than \$5,000 should be charged
30 to object code #56400.
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32 6. Additions to Existing Equipment. When an item with a value greater than or equal to \$5,000
33 is purchased and added on to an existing piece of equipment:
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35 a) If both items were purchased in the same fiscal year, the cost of the new item will be
36 added to the cost of the original item.
37
38 b) If items were purchased in different fiscal years, the item will be treated as a separate
39 piece of equipment with a useful life of five (5) years.
40
41 7. Federal Grants. The threshold for equipment purchased with Federal Grant funds is \$5,000.
42 Receiving will need to tag these items with an asset inventory label, bar code sticker, and a
43 Federal Label. Senior Accountant will need to enter these items into the inventory system
44 being sure to use the Federal Asset Category.
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46 V. Historical Treasures

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48 Historical treasures are artwork or collections that hold significant value. Accounting will periodically
49 survey the campuses to determine whether or not such historical treasures exist. Once located their

1 value at the time of acquisition will be estimated and disclosed as a footnote in the annual audit
2 report.

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4 VI. Physical Inventory of Federal Equipment

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6 A. Purpose. According to Federal Compliance Requirements, “a physical inventory of the property
7 must be taken and the results reconciled with the property records at least once every two years.”
8 This procedure will ensure that we comply with the above requirement.
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- 10 B. Federal Grant Managers. Requisitions for capital equipment items greater than \$5,000 must state
11 “Federal Funds,” in the comment section. This notation on the requisition will alert Purchasing
12 and Receiving to special handle the order. When the above-mentioned equipment is moved to a
13 new location (room or building), disposed of, sold or traded-in, Federal Grant Managers must
14 complete the electronic Fixed Asset Tracking form or notify the Senior Accountant. In addition,
15 the Manager must disburse any residual amount received from such disposition in accordance
16 with federal regulations, since the federal government may have rights to a portion of the residual
17 amount, net of administrative expenses (see 2 Code of Federal Regulations Parts [200.313](#) and
18 [200.439](#)).
19
- 20 C. Purchasing. Purchasing will stamp the Receiving Department’s copy of the purchase order as
21 follows: “Federally Purchased Equipment - Inventory Required.”
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- 23 D. Receiving. Receiving will place a separate inventory tag of a distinctly different color, stating “FED
24 GOV FUNDED,” on federal equipment, along with the regular District asset inventory tag. The
25 asset number will be recorded on a copy of the purchase order.
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- 27 E. Accounts Payable. The Senior Accountant will maintain a list of equipment purchased with federal
28 funds in Colleague. In addition, he/she will remove an asset from the database or change the
29 location when notified by the department. At the end of each fiscal year, the Senior Accountant
30 will submit to the Director of Accounting, Grants & Compliance a list of all federal equipment.
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- 32 F. Internal Audit. Every year, the Director of Accounting, Grants & Compliance will:
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- 34 1. Compare additions to the federal equipment inventory listing to equipment expenditures in
35 the federal program accounts, checking for reasonableness (allowing for equipment
36 expenditures under \$5,000, which are not inventoried), and
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 - 38 2. Coordinate the physical inventory of federal equipment using an accepted sampling method.
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40 **References:**

41 Education Code Sections [81300 et seq.](#); 2 Code of Federal Regulations Parts [200.313](#) and [200.439](#)

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43 **Procedure Last Revised:** ~~April 11, 2007~~, March 11, 2020

44 **Last Reviewed:** March 11, 2020