

SUBJECT: Equipment Inventory, Capitalization and Depreciation

An inventory shall be maintained of all furniture and equipment with an initial cost of \$1,000 or more, having a useful life of more than one year, and which is not consumed in use. An item of equipment or furniture for less than \$1,000 may also be inventoried if the nature of the equipment or furniture is such that it lends itself to accountability. Furniture and equipment with a cost of less than \$5,000 will be maintained in the inventory database for tracking and accountability purposes, but will be expensed for financial reporting purposes.

All assets with useful lives of more than one year and cost of \$5,000 or more shall be capitalized. Capitalized assets shall be depreciated over their useful lives using the straight-line method.

- A. Each department or division head shall report in writing to the business office any equipment which is surplus, worn out, broken, stolen, lost, or for any reason is of no further use to the College.
- B. Inventory records shall be audited annually by the College appointed auditors.
- C. Capitalized assets (\$5,000 or more) will be maintained at their depreciated value.
- D. A physical inventory shall be made each year.
- E. Each department or division head will be responsible for all equipment and furniture items in his/her area.
- F. No person shall entrust College property to any other person to be used for other than College purposes. When property is assigned to one department or division, such transfer shall be done only when authorized in writing by the department or division head who is transferring such property, and a written acknowledgment shall be executed by the department or division head who is accepting such property. Exceptions may be made on a case by case basis.