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**Administrative Procedure**  
Chapter 6 – Business & Fiscal Affairs

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## **AP 6535 USE OF DISTRICT EQUIPMENT**

### **References:**

Education Code Section 70902;  
ACCJC Accreditation Standards III.B.3 and III.C.4

Each member of the District staff shall be responsible for equipment under his/her/their control. Loss of equipment and unauthorized removal of equipment should be reported immediately to the appropriate administrator.

Equipment that is lost or stolen may be replaced upon submission of a request through the appropriate administrative office. The request must include an explanation about the loss or theft of the equipment and a justification that replacement is essential to the activity served.

District equipment shall not be loaned to persons not employed by or enrolled in the District.

Equipment shall only be removed from campus with proper authorization(s).

### **Physical Inventory and Depreciation of Capital Assets**

The Vice President, Administrative Services or designee, will administer these procedures.

### **Definitions**

- A. Capital Outlay expenditures are defined as amounts paid for the acquisition of fixed assets or additions to fixed assets, land or existing buildings, improvements of grounds, building construction, remodeling, or additions and equipment.
- B. Capitalized equipment is defined as tangible property with a purchase price of at least \$5,000 and a useful life of more than one year, other than land or buildings and improvements thereon.
- C. Inventoried equipment is defined as all items of equipment that cost or have a market value at the time of acquisition of \$5,000 or more.
- D. Perpetual inventory system is defined as the documentation of acquisition, cost, location, depreciation, and disposition of all inventoried equipment.

E. Physical inventory is defined as the actual inspection and identification of equipment at the location where it is physically located.

It is the responsibility of the Warehouse to receive, physically identify, and affix a numbered inventory tag on all new equipment purchased or donated with a value of \$5,000 or more. The Warehouse will also notify Fiscal Services of the equipment quantity for all equipment with a value of \$5,000 or more, the inventory tag number(s), the location where the equipment will be physically located, and any other information needed for the perpetual inventory.

It is the responsibility of Fiscal Services to maintain the perpetual inventory records. It is the responsibility of the area purchasing and housing the inventoried equipment to inform Fiscal Services, in writing, of the transfer or other disposition of the equipment from its original location. It is the responsibility of Fiscal Services to adjust the inventory records accordingly.

Individual areas are not permitted to dispose of any equipment, regardless of value, without following the procedure outlined in the Purchasing Handbook of Administrative Regulations. The Contracts Management department handles the required Board approval for disposal of equipment.

It is the responsibility of Fiscal Services to conduct a physical inventory at least every five (5) years and to maintain and update the perpetual inventory of capital assets records annually.

The college uses the "straight-line" method of depreciation (1/2 year convention), with the following types of capital assets and expected useful lives:

- Conventional Buildings - 50 years
- Portable Buildings - 25 years
- Improvement to Buildings/Land - 20 years
- Office/Instructional Equipment - 5 years
- Computer Equipment - 3 years

Also see BP/AP 6520 Security for District Property, BP 6535 Use of District Equipment, and BP/AP 6540 Insurance.

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*(Replaces former LBCC AR 6007)*