

**LOS ANGELES COMMUNITY COLLEGES
OFFICE OF THE CHANCELLOR
ADMINISTRATIVE REGULATIONS**

INDEX NUMBER B-10

REFERENCE: Budget & Accounting Manual California Community Colleges, 1974	TOPIC: Equipment and Inventory
ISSUE DATE: September, 1975	INITIATED BY: Business Services
CHANGES: Previously E-38 Entire regulation	DATE OF CHANGES: March 20, 2001 January 23, 2013

REGULATIONS

1. Definition of equipment

Supplies are expendable, consumed or worn out, deteriorating in use, or easily broken, damaged, or lost. Items with a relatively short service life and replaced frequently lost, broken, or worn out and replaced in normal use.

Items should be classified as equipment or supply on the basis of the answers one must give to the following questions. If all answers are no, the item should be classified as equipment. If the answer to any of these questions is yes, classify the item as supply.

- a. Does the item lose its original shape and appearance with use?
- b. Is it consumable, with a normal service life of less than two years?
- c. Is it easily broken, damaged, or lost in normal use?
- d. Is it usually more feasible to replace it with a new unit than repair it?
- e. Is it inexpensive having the characteristics of equipment? Does the small unit cost make it inadvisable to capitalize the item?

2. Authorization of the College President is required for the disposal, sale or trade-in of equipment.

3. Transactions involving the purchase, sale or exchange of equipment from or to College District Board of Trustees employees are discouraged. Such transactions should be entered into only after thorough and documented investigation and appraisal by an acknowledged competent neutral person, and when specifically approved in writing by the College President.
4. All equipment owned by the Associated Students Organization shall be included in the District equipment inventory. Such inclusion shall identify the Student Organization as owner of the equipment.
5. Transfer of ownership of Associated Students equipment to the District may be permitted under the following conditions:
 - a. The District may at its discretion accept an item as is, or subject to qualifying conditions such as repair or bringing up to standards.
 - b. District commitment for maintenance, retention or replacement is not implied if property title is accepted.
 - c. For inventory purposes, refer to District Asset Management Policies and Procedures, AM 05-04 Asset Acquisitions, Section II; Types of Transactions, Section D; Transfer.
6. The College Fiscal Administrator shall provide the governing body and the College President with an annual inventory of all Associated Student-owned equipment.
7. Presidents of colleges and college fiscal administrators should exercise great care in seeing that such inventory is complete and that estimated values are realistic since this information is the basis for determining insurance coverage and for obtaining adjustments in event of loss.