



## Equipment Inventory

California School Accounting Manual

Regional Coordination and  
Support Office

CALIFORNIA DEPARTMENT OF EDUCATION  
Tom Torlakson, State Superintendent of Public Instruction



## Inventory

*Education Code* Section 35168 requires local education agencies (LEA) to maintain an inventory of equipment whose current value exceeds \$500. However, this requirement does not mean that LEAs must capitalize all equipment costing more than \$500. While all capitalized items should be inventoried, not all inventoried items should be capitalized.

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## Capitalization

For most LEAs, a capitalization threshold of at least \$5,000 is recommended. For larger LEAs, a higher capitalization threshold is appropriate.

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## Noncapitalized Equipment

**4400 Noncapitalized Equipment.** Record expenditures for movable personal property of a relatively permanent nature that has an estimated useful life greater than one year and an acquisition cost less than the LEA's capitalization threshold but greater than the LEA's inventory threshold pursuant to *Education Code* Section 35168 or local policy.

For information on the capitalization threshold, refer to Procedure 770.

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## Supplies?-Equipment?

It is sometimes difficult to classify articles as either supplies or capitalized equipment. They may have the characteristics of equipment but have a low unit cost or are frequently lost, broken, or worn out and replaced in normal use.

For more detail, refer to the California School Accounting Manual (CSAM) Procedure 770.

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## Supplies-Equipment

If the answer to any one of the following questions is yes, the item should normally be classified as a supply.

1. Does the item lose its original shape and appearance with use?
2. Is it consumable, with a normal service life of less than one year?
3. Is it easily broken, damaged, or lost in normal use?
4. Is it usually more feasible to replace it with an entirely new unit than to repair it?
5. Is the cost of the item below the LEA's capitalization threshold?

If all the answers are no, the item should be classified as capital outlay.

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## Capitalized Equipment

### 6400 Equipment

Record expenditures for movable personal property, including such equipment as vehicles, machinery, computer systems, and playground equipment, that have both an estimated useful life over one year and an acquisition cost equal to or greater than the capitalization threshold established by the LEA.

For more detail, refer to CSAM Procedure 770.

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## Resources

CSAM Procedure 630  
Technology—Coding Examples

CSAM Procedure 700–770  
Distinguishing Between Supplies and Equipment

Contact: Lou Ann Harada, Regional  
Coordination and Support Office  
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Regional Coordination and Support Office  
California Department of Education  
1433 N Street, P.O. Box 944272  
Sacramento, CA 95824-2720

### Equipment Removal Form

Preparation		Certification		Project	
Submit 2 copies, with original signatures to: California Department of Education 1433 N Street, P.O. Box 944272 Sacramento, CA 95824-2720		Pursuant to regulations 500.33(a)(1) and (2) and/or appropriate provisions of Title 5, California Code of Regulations, the items listed below are no longer needed to accomplish the purpose of the project and should be removed from inventory.		Resource Code (if Applicable)	
Identification		Signature	Date	Funding source—check one <input type="checkbox"/> ESEA Title I <input type="checkbox"/> SERS <input type="checkbox"/> ESEA Title II <input type="checkbox"/> EALOP <input type="checkbox"/> Other	
District name	CDE	Type name	Telephone	Value of items—check one <input type="checkbox"/> For market value less than \$5,000 <input type="checkbox"/> For market value more than \$5,000	
County		Approve		Total	
Address		CDE track approval	Yes		
City	ZIP code	California Department of Education			
Description of equipment	Division of Health Services	Year of purchase	Original purchase price	Current value	Reason for removal

Regional Coordination and Support Office  
 California Department of Education  
 1430 N Street, P.O. Box 944272  
 Sacramento, CA 94244-2720

## Equipment Removal Form

Request to Remove from Inventory Equipment Purchased with State and Federal Funds

Preparation	Certification	Project
<p><b>Submit 2 copies, with original signatures to:</b>            California Department of Education            1430 N Street, P.O. Box 944272            Sacramento, CA 94244-2720</p> <p style="text-align: center;">Identification</p>	<p>Pursuant to regulations §80.32(e)(1) and (2) and/or appropriate provisions of Title 5, California Code of Regulations, the items listed below are no longer needed to accomplish the purpose of the project and should be removed from inventory.</p> <p>Signature: _____ Date: _____</p> <p>Typed name: _____ Telephone: _____</p> <p style="text-align: center;">Approval</p> <p>CDE Staff approving: _____ Date: _____</p> <p>California Department of Education</p>	<p>Resource Code: _____            (if appropriate)</p> <p>Funding source—check one:  <input type="checkbox"/> ESEA Title I    <input type="checkbox"/> SLIBG  <input type="checkbox"/> EIA/SCE  <input type="checkbox"/> EIA/LEP  <input type="checkbox"/> Other</p>
<p>District name: _____ CDS: _____</p> <p>County: _____</p> <p>Address: _____</p> <p>City: _____</p>	<p>Fiscal year of purchase: _____</p> <p>District's Identification Number: _____</p>	<p>Value class—check one:  <input type="checkbox"/> Fair market value less than \$5,000  <input type="checkbox"/> Fair market value more than \$5,000</p> <p>Total \$ _____</p>
<p>Description of Equipment: _____</p>	<p>Original purchase price: _____</p> <p>Present Value: _____</p>	<p>Reason for removal: _____</p>



## Inventory records

### *Education Code Section 35168*

The governing board of each school district, shall establish and maintain a historical inventory, or an audit trace inventory system, or any other inventory system authorized by the State Board of Education, which shall contain the description, name, identification numbers, and original cost of all items of equipment acquired by it whose current market value exceeds five hundred dollars (\$500) per item, the date of acquisition, the location of use, and the time and mode of disposal. A reasonable estimate of the original cost may be used if the actual original cost is unknown.

### Title 5, Subchapter 2.5, Section 16035

- (d) As used in this article, "historical inventory of equipment." Herein referred to as inventory, means a list, a card file, or electronic data-processed information containing the description, name identification numbers and original cost of all items of district-owned equipment whose current market value exceeds \$200 per item (or exceeds any lesser amount approved by the local governing board, the date of acquisition, the location of use, and the date and mode of disposal.

