

## Change in Classification of Purchases under \$1,000 – Effective 07/01/2018

Fiscal Services recently reviewed the classification of equipment expenditures. In consultation with accounting and regulatory guidance, it was determined the dollar threshold for classifying tangible property as “All Other Equipment” will be increased to \$1,000. This threshold is consistent with the District’s capitalization and inventory control policies. This means that purchases of items up to \$1,000 will be considered supplies.

Effective July 1, 2018, expenditures for tangible property currently accounted for under Object Code 6409 (*Equipment – All Other  $\geq$  \$200 < \$1,000*) should be classified as supplies and accounted for under Object Code 4310 (*Instructional Supplies*) or 4610 (*Non-Instructional Supplies*).

This change in classification should be adopted when creating budgets for Fiscal Year 2018-2019.

### Object Code Changes

Expenditure Type	Currently	As of FY 2018-2019
Equipment – All Other $\geq$ \$200 < \$1,000	Object Code 6409 <b>(TO BE DELETED)</b>	Object Code 4310 Instructional Supplies  <b>OR</b>  Object Code 4610 Non-Instructional Supplies
Equipment – All Other $\geq$ \$1,000 < \$5,000	Object Code 6410	<i>No change.</i>
Equipment – All Other $\geq$ \$5,000	Object Code 6411	<i>No change.</i>

Note that we are not changing the dollar threshold for the classification of software equipment (object code 6418) or tablets and laptops (object code 6421).

Please share this information with anyone who makes purchases of supplies or equipment in your area. If you have any questions, please feel free to contact me or Erika Almaraz, Manager Fiscal Services. Thank you.

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