

To support accurate accounting, improve expenditure tracking, and ensure alignment with Antelope Valley College's capitalization policies, and to meet the needs for facilities tracking, two new account codes have been created for **exclusive use by the Facilities Department**.

## 1. Account Code 4570: Repair Parts – Facilities Use Only

### **Purpose:**

To record expenses related to the purchase of parts used in the repair of college-owned equipment, when the repair is performed by AVC Facilities employees.

### **Examples of Allowable Items:**

- ✓ HVAC components (valves, belts, motors)
- ✓ Electrical and plumbing parts
- ✓ Mechanical replacement components
- ✓ Lighting components, filters, brackets, etc.

### **Non-Allowable Uses:**

- ✗ Contractor-performed repairs (should be charged to professional services or repair contracts)
- ✗ Office or instructional equipment parts – if computer-related, route through IT; otherwise, use the standard supply or equipment account codes as applicable

### **Capitalization Policy – Clarification:**

Repair parts are not capitalized. These purchases are considered routine maintenance and do not meet capitalization criteria because:

- They typically do not exceed the \$10,000 threshold,
- They are not standalone or new assets, and
- They maintain or restore an asset rather than increase its value or useful life.

# New Facilities-Specific Account Codes

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## 2. Account Code 4580: Tools/Accessories – Facilities Use Only

### Purpose:

To record the purchase of tools or accessories used by AVC Facilities staff in the performance of their duties.

### Examples of Allowable Items:

- ✓ Hand tools (hammers, wrenches, screwdrivers)
- ✓ Power tools (drills, saws, sanders)
- ✓ Tool accessories (blades, drill bits, sanding disks, etc.)
- ✓ Toolboxes or storage units (if under \$10,000)

### Non-Allowable Uses:

- ✗ Tools for instructional, IT, or non-Facilities use
- ✗ Any item costing \$10,000 or more (must be processed under capital equipment procedures)

### Capitalization Policy:

Items charged to this code must fall below the \$10,000 capitalization threshold. Any tool or equipment purchase that meets or exceeds the threshold must be capitalized and processed using the appropriate fixed asset account code.

### General Usage Guidelines

- Authorization: All purchases must be processed through standard procurement channels.
- FOAP Restrictions: These account codes may only be used with FOAPs assigned to the Facilities Department.
- Support: For clarification on account code use or asset classification, contact your fiscal representative.