PROPERTY / EQUIPMENT MANAGEMENT

SAWDC Policies and Procedures

POLICY #:  G201  
Effective: March 1, 2013

BACKGROUND
This policy describes requirements for the acquisition, management and inventory of property, other than real property. PL 105-220 Sec.184(a)(2)(A) requires each state, local workforce development area and Service Provider's / Contractor's receiving funds under the Workforce Investment Act (WIA) of 1998, to comply with applicable uniform cost principles including appropriate circulars of the Office of Management and Budget (OMB).

This policy applies to capital assets, but not to real property, i.e. land and buildings. Furniture, fixtures, software, or other "equipment" not an integral part of a building are not considered Real Property, and are to be classified as “Equipment” or “Small and Attractive Assets” as defined below.

Uniform Administrative Requirements for Grants and Agreements to State and Local Government is codified at 29 CFR Part 97. Institutions of higher education, hospitals, and other non-profit, and commercial organizations must follow the common rule OMB Circular A-110 codified at 29 CFR Part 95, except as provided under 20 CFR 667.200 (a)(3)-(7). Individuals and organizations must adhere to the property management standards as set forth in these sections.

POLICY
It is the policy of the Spokane Area Workforce Development Council (SAWDC) that all Service Providers and Contractors must conform to specific policies and procedures to ensure the management and inventory of all properties obtained through WIA funds, including property purchased with the Job Training Partnership Act (JTPA) funds transferred to WIA. Ownership of the property will rest with the SAWDC. Property will be maintained by the Service Provider/Contractor at their location. Inventory obtained will be tagged with the SAWDC WIA inventory stickers and Washington State Stickers. While compliance with this policy is required by law for all purchases using WIA funds, the Spokane Area Workforce Development Council requires the same levels of property management and inventory for items purchased under any grants and/or funds issued by the SAWDC. The SAWDC will define the requirements for tagging non WIA property as applicable.

Service Provider/Contractor Responsibilities:
Must establish their own property management inventory policy according to applicable Federal and State guidelines, and SAWDC policy, and identify the SAWDC as owner of the property. This policy will be submitted to the SAWDC for review. (Exception may apply where the SAWDC maintains the inventory record for a contractor with a small amount of inventory items).

For all property purchases the Provider/Contractor must request SAWDC approval (via email or other correspondence) from the SAWDC Program/Project Manager (or designee) and ensure line item allowance is in the grant/contract. All property inventory correspondence must be retained with inventory records. All property purchased over $5,000 requires special approval from the SAWDC and the Grantor.
The Provider/Contractor will be responsible for all inventory controls and record maintenance, and must conduct a physical property inventory at least once every program year (at least three (3) months prior to end of the program year), and reconcile the results including, existence, current use, and continued need. Upon completion of physical inventory a copy of the property inventory must be maintained on file, a copy sent to the SAWDC, and available for review by SAWDC/State monitors as part of the regular fiscal monitoring process.

Service Providers/Contractors are required to maintain property records according to the following standards:

1. All equipment purchases with a unit price over $5,000 are capitalized as fixed assets and are depreciated using the straight-line method with their proper useful years.

2. Ensure that all property purchased with Federal funds with an acquisition or depreciated value of $5,000 or above will retain documentation of approval from the SAWDC and be identified with a SAWDC tag number.

3. Develop a control system to ensure safeguards to prevent loss, damage or theft. Any such activity must be investigated.

4. Maintenance procedures to keep property in good condition.

5. Adequate insurance coverage must be provided.

6. Comply with inventory and tagging requirement of Small and Attractive Assets as described below.

**Equipment:**

Equipment is defined as tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit, including all costs related to the property’s final intended use.

**Small and Attractive Items:**

Property with a unit cost (including sales tax and ancillary costs) of less than $5,000 that is considered vulnerable to loss, thus, is subject to special property control. Examples of small and attractive assets that require SAWDC tagging and inventory are:

- software over $1,000,
- cell phone,
- personal computer,
- printer,
- laptop/notebook,
- personal digital assistants,
- camera,
- camcorder,
- television,
- video play-back devices,
- scanner, copier,
- fax machine.

This list is not all-inclusive. The SAWDC reserves the right to add items as technology changes.

Equipment purchases with a unit price between $300 and $4,999 and considered as “small and attractive” will be labeled and tracked on the small and attractive inventory list that includes:

- A description (model number or other identification)
- The serial number and model number or other identification number
- Funding source of property including grant or agreement number
- Whether a title rests with grantee or federal government
- An acquisition date and cost
- Percent of federal participation in the project for which equipment was purchased
- Location, use, condition, and date the information was reported
- The date of disposal and sale price
Property Disposition:

1. The Provider/Contractor must request SAWDC approval (via email or other correspondence) from the SAWDC Property Manager (or designee) for all non-purchasing inventory transactions and retain documentation with inventory records.

2. Equipment will be disposed in accordance with applicable laws and procedures.

3. A written disposition request should be sent to the SAWDC for approval to dispose of property over $5,000. The SAWDC may approve the disposition of property of the Service Provider/Contractor or request the property be returned to the SAWDC. Property may be retained for other uses, provided that compensation is made to the SAWDC/Grantor.

4. Property with an acquisition cost under $1,000 may be disposed under the Service Provider/Contractor policy; however, the information must be previewed by the SAWDC prior to disposition in case there are other agencies or programs which may be able to use the item. If disposition is through sale, the proceeds of said sale will be treated as program income. Procedures will be used to gain highest possible return on sold items.

5. Records must be maintained for three years after disposal of property.

REFERENCES

- PL 105-220 Sec.184 (a) (2) (A)
- Federal Register Vol. 65, No. 124,
- Generally Accepted Accounting Procedures (GAAP)
- Washington State Employment Security Department Policy and Procedures
- The following is a helpful connection to the on-line OFM State Accounting Manual: [http://www.ofm.wa.gov/policy/30.htm](http://www.ofm.wa.gov/policy/30.htm)