

**Southwest Washington Workforce Development Council
Workforce Investment Act Policies and Procedures**

**PROPERTY MANAGEMENT AND INVENTORY DIRECTIVE
POLICY #: 631**

Date of Origination: July 1, 2002
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Effective Date: July 1, 2002

Background:

This directive describes the Southwest Washington Workforce Development Council's (WDC's) expectations for the management of WIA and WTW property. It addresses how the WDC will ensure the management and inventory of all properties obtained through WIA and WTW funds, including property purchased with Job Training Partnership Act (JTPA) funds that was transferred to WIA.

Numerous government-wide rules and standards govern acquisition and management of property. PL 105-220, Sec. 184(a)(2)(A) requires each WDC and service provider 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). 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). State of Washington WIA Policy Number 3452 and OFM State Accounting Manual 30.40 also give specific directives on Capital Asset Inventory Records Policy, and it is with reference to these requirements that the Southwest Washington Workforce Development Council has adopted these policies to be applied to the Council itself as well as its WIA sub-contractors and sub-recipients.

Equipment Management/Inventory:

Equipment: Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of more than \$5,000.

1. For Equipment, the WDC and sub-recipients will retain property records that provide:
 - a description;
 - the serial and model number;
 - a WIA tag number;
 - the funding source of property, percent WIA participation and title holder;
 - an acquisition date and cost;
 - location, condition, and last inventory date with initials of inspector; and
 - disposal information, including date, location and sale price, if applicable following disposal procedure below.

2. Purchases of all equipment items greater than \$5,000 must have prior approval from the SWWDC and the Assistant Commissioner of the Employment Security Department for the State of Washington. Contractors must submit request to the

Fiscal Manager at SWWDC. SWWDC will facilitate approval from the Assistant Commissioner.

Small and Attractive Asset Management/Inventory:

Small and Attractive Assets are fixed assets with a unit cost (including sales tax and ancillary costs) of less than \$5,000 which an agency considers particularly vulnerable to loss. The SWWDC, with reference to Washington State Policy, WIA Policy #3452 and its own risk assessment, defines “small and attractive assets” to include but not be limited to:

- Computer workstations, including peripherals
- Laptop computers and peripherals
- Cameras, televisions, projectors, and video cameras
- Telephones, cell phones, and accessories
- Scanners, copiers and fax machines
- Record players, radios, tape recorders, VCR, and DVD player
- Optical devices, binoculars, telescopes, infrared viewers, and rangefinders

1. For these assets, the WDC and sub-recipients will:

- Keep an inventory listing with description of these items;
- Assign WIA tag numbers to these items as a means of control;
- List current user and/or location;
- Perform annual reviews reconciling the listing with physical inspection; and
- Dispose of asset using the disposal procedure below

Furthermore, with reference to the above mentioned directives, the SWWDC is committed to these general principles for the management of both classes of assets:

- A copy of the property inventory will be maintained on file and available for review.
- Property will be maintained in good condition.
- All records will be retained for three years after disposal.
- Procedures used at sale of any items will aim for the highest possible return, and such proceeds will be recorded as program income.
- SWWDC may transfer items between and among locations. These transfers must be properly recorded.

Depreciation:

One of the following guidelines for depreciation must be used in accordance with OFM Guidelines State Accounting Manual Section 30.20.70.c.

1. To calculate depreciation using the straight-line method:

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$

2. The composite method is based on weighted average estimated lives or an estimate of the useful life of the grouping of assets; such as library resources. The assessment could be based on condition assessments of experience with the useful lives of the groupings of assets. A consistent composite depreciation rate should

generally be used throughout the life of the grouping of assets, but the rate should be recalculated if the composition of the assets or estimate of the useful lives changes significantly.

Useful Life for Capital assets

It is required to use the useful life shown in Schedule A, Capital Asset Commodity Class Code List and Useful Life Schedule (subsection 30.50.10) for capital assets acquired in new condition. However, a shorter or longer estimated life may be used depending on factual circumstances, replacement policies, or industry practices. For assets acquired in less than new condition, the useful life will be determined on a case by case basis.

Disposal policy:

Equipment

1. The user or property reviewer will initiate and fully complete a Property Disposal Request Form for each item to be disposed.
2. The fiscal manager is responsible for recording the disposal in inventory, and physically disposing of the asset.
3. Notice of disposal of the asset will be sent by the SWWDC Fiscal Manager to the WA State Department of Information Services, (technology related equipment) or the Office of Commodity Redistribution housed under the state's Department of General Administration, (all other assets) and physical disposal will take place according to the appropriate agency guidelines.

Small and Attractive Assets

Unless the asset is deemed inoperative and therefore disposable, an effort will be made to make the asset available to related programs. The Executive Director will evaluate if the asset will be provided to the SWWDC itself or a local WIA service provider within the region. Assets not disposed of within the region will be offered through an email broadcast to other WDC's in Washington State, other local non-profit agencies who work with WorkSource customers, school and educational districts, and for-profit entities that have a mission similar to that of the SWWDC, in that order. If not disposed of by this method, the property will be given to a local non-profit that recycles such equipment.

1. The user or property reviewer will initiate and fully complete a Property Disposal Request Form for each item to be disposed.
2. Disposals of this class of assets can be initiated by the current user or property reviewer.
3. Disposal will be recorded directly onto the property listing, noting the date of disposal, the condition of the asset, and its point of relocation, by the fiscal manager.

Definitions:

Equipment: Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of more than \$5,000.

Supplies: All personal property other than equipment.

Fixed Assets: Assets (normally tangible, but including several intangibles) acquired through donation, gift, purchase, capital lease, or self-construction with a life expectancy of more than one year.

Capitalized Fixed Assets: Includes all land and all remaining fixed assets with a unit cost of \$5,000 or greater.

Inventoriable Fixed Assets: Includes all capitalized fixed assets plus all fixed assets meeting the definition of small and attractive.

Small and Attractive Assets: Fixed assets with a unit cost (including sales tax and ancillary costs) of less than \$5,000 which an agency considers particularly vulnerable to loss, thus subject to attractive assets which must be tagged and inventoried include equipment such as cell phones, personal computers, printers, laptop/notebooks, cameras, camcorders, televisions, video-cassette recorders, scanners, copiers, and fax machines.

Depreciation: The portion of the cost of a capital asset representing the expiration in the service life of the asset attributable to wear and tear, deterioration, action of the physical elements, inadequacy, and/or obsolescence which is charged systematically over the useful life of the capital asset. Refer to Office of Financial Management Policy Subsection 30.20.70.c. This element is not applicable to small and attractive assets.

Useful Life: The estimated useful life of the capital assets in years. Refer to Subsection 30.50.10 for Schedule A – Capital Asset Commodity Class Code List and Useful Life Schedule. This element is not applicable to small and attractive assets.