



Property Management and Disposal Policy & Process

Approved Date: September 13, 2022

Effective Date: September 13, 2022

Amended Date: N/A

Purpose

The purpose of this policy is to ensure equipment and property are properly tracked, managed, and disposed of in accordance with CFR § 200.313 – “Equipment” and any other applicable state and federal regulations. The definition of equipment is defined in CFR § 200.1. This policy applies to the Mississippi Valley Workforce Development Board, contractors, and sub-recipients of Workforce Innovation and Opportunity Act (WIOA) funds.

Background

The Uniform Guidance provides fiscal and administrative guidance for the administration of the WIOA program, including specific requirements for purchasing property. The intent is to ensure that purchases of property are approved, performed through fair and open competition, and managed according to proper inventory, maintenance, and disposition procedures.

Purchase Considerations

To ensure funds are being spent in a fiscally prudent and efficient manner and to avoid audit findings and potential liability, the following questions should be taken into consideration prior to purchasing equipment:

- Is the purchase reasonable?
- Why is this purchase needed?
- Have the best products been selected?
- What procurement method will be used?
- Has a lease option been considered versus purchasing?
- Does the State already provide the item, service, or software being considered for rent, purchase, or subscription?

Cost Sharing Information

During the time that the property is used on the project or program for which it was acquired, the property must be made available for use on other projects or programs either currently or previously supported by the federal government, provided that the property’s use will not interfere with the work on the projects or program for which it was originally acquired.

Subrecipients must give the first preference for other use to programs or projects supported by

the federal awarding agency that financed the property and must give the second preference to programs or projects under federal awards from other federal awarding agencies. Use of the property for non-federally funded programs or projects is also permissible (Uniform Guidance 200.313[c][2]).

Purchasing

Approval of a budget plan that includes a request to purchase property DOES NOT constitute approval of the purchase request. A separate request to purchase property must still be submitted and approved by MVWDB prior to purchase when the following conditions are met.

Purchase of \$5,000 or More

To direct charge WIOA funds for any property purchase with a per-unit single cost totaling \$5,000 or more, or the purchase, rent, licensing, maintenance fee, or subscription of information-technology application/software/services with a per-unit or cumulative cost for a twelve-month period the following steps must occur:

- Subrecipients and contractors must complete a “Request for Approval to Charge WIOA Funds for the Cost of Property” form.
- Documentation describing the item(s) to be purchased, rented, or subscribed to as well as an explanation of functionality, must be submitted with the request.
- If purchasing or subscribing to software, submit documentation clarifying how new software will deliver functionality not provided by state or local partners.
- The completed form must be submitted to MVWDB. Information will be reviewed by MVWDB staff and approved by the MVWDB.
- If approved by the MVWDB the request will be forwarded to the State for final approval.
- Once a determination has been received from the State, MVWDB staff will notify the agency requesting approval as to whether the request has been approved or denied. However, there will be no default approval if a response is not provided promptly.
- If an approval letter is issued, the WIOA funds account may be charged for the purchase. A letter not approving a request for purchase will specify the reason for the disapproval. If the request is not approved and property is charged, the subrecipient/contractor may incur a disallowed cost.
- Refer to the MVWDB procurement policy for any specific procurement requirements for equipment with an acquisition cost of \$5,000 or more per unit.

Purchase Between \$500 - \$5,000

All purchases with a per unit price between \$500 - \$5,000 will need a written request from the MVWDB.

- The purchase request form should be completed and submitted to the MVWDB for approval.
- The MVWDB will assign a tag number with a tracking code to be adhered to the property

once approved.

Inventory and Property Records

MVWDB inventory and property with an original purchase price of \$500) or more and a useful life of more than a year must be identified with a tag number, and tracking code and added to the inventory listing for inspection during the annual physical inventory check.

Any MVWDB inventory with an original purchase price of \$500 or less will need to have a “property of MVWDB tag” but will not need to be included on the inventory listing.

Exception: For any property that may retain “sensitive or confidential information” on a hard drive or in memory (computers, notebooks, tablets, cameras, cell phones, etc.) is required to follow the same process for property with a unit cost of over \$500.

Inventory System Requirements

Purchase of \$5,000 or More

Accurate inventory records of all property purchased with federal funds with an acquisition cost of \$5,000 or more must be maintained. All property should have a unique identification mark to be used for inventory purposes. The inventory records must include the following information:

- Tag Number
- Description of the property
- Manufacturer’s serial number, model number, or other identification numbers
- Source of funding for the property (including the Federal Award Identification Number)
- Title holder
- Acquisition date
- Cost of the property
- Percentage of federal participation in the project costs for the federal award under which the property was acquired
- Location, use, and condition of the property
- Ultimate disposition data including the date of disposal and the sale price (Uniform Guidance Section 200.313[d])

Purchase Between \$500 - \$5,000

Accurate inventory records of all property purchased with federal funds with an acquisition cost between \$500 - \$5,000 must be maintained. All property should have a unique identification mark to be used for inventory purposes. The inventory records must include the following information:

- Tag Number
- Description of the property

- Manufacturer’s serial number, model number, or other identification numbers
- Acquisition date
- Cost of the property
- Location, use, and condition of the property

Record Retention Requirements

Purchase records for all property should include:

- Order information
- Prior Approval for Items over \$5,000 (if applicable)
- Copy of the invoice
- A packing slip or receiving paperwork
- Any transfer or certificate of disposition

Annual Inventory Check

The MVWDB staff will perform, reconcile, and document a physical inventory check once a year to be conducted along with the financial monitoring or during the last quarter of the fiscal year (April-June).

Any items that cannot be accounted for must be reconciled with a memorandum for record and, if necessary, an internal investigation may be conducted for unaccountable items.

Disposition of Property

Current Per Unit Fair Market Value in Excess of \$5,000

Before disposal of property purchased with federal funds, the subrecipient/contractor must complete a Disposal Form and submit it to the MVWDB for approval.

- The MVWDB will follow Iowa Workforce Development policies for the disposal of property.
- If equipment with a per unit fair market value of \$5,000 or more, or an inventory of unused supplies with a total aggregate fair market value of \$5,000 or more, is no longer needed for the original project or program, the property may be used for other activities currently or previously supported by DOL.
- If the property is not needed for the original program/project or other DOL-supported activities, the property may either be retained or sold and the MVWDB reimbursed for the WIOA federal funds’ share (Uniform Guidance Section 200.313-200.314).

The amount of reimbursement is computed by applying the percentage of WIOA federal funds used to purchase these items to the current “fair market” value of the property.

- If only WIOA federal funds were used, then use 100 percent of the calculation.

- Subrecipients may deduct and retain from the WIOA share \$500 or 10 percent of the proceeds of the sale, whichever is less, for the subrecipient's/contractors selling and handling expenses.
- The balance of funds must be submitted within 30 days.
- The name of the entity, subgrant number, year of appropriation, and the funding stream must be provided when submitting the funds.

Current Per-Unit Fair Market Value of Less Than \$5,000

- Before disposal of property purchased with federal funds, the sub-recipient/contractor must complete a Disposal Form and submit to it the MVWDB for approval.
- Inventory or property that may retain “sensitive or confidential information” on a hard drive or in memory (computers, notebooks, tablets, cameras, cell phones, etc.) with a cost of \$100.00 or more will require the completion of the Disposal Form and copy of a certificate of disposal.
- All property should be disposed of through a certified electronic disposal company.

Equal Opportunity Programs/Employer

Auxiliary aids and services are available upon request for individuals with disabilities.