

Southwest Georgia Workforce Development Board
Policy/Procedure Name: Property Management
Policy/Procedure #: 19
Effective Date: January 1, 2013
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Background

Federal regulations require governmental entities, nonprofit entities, higher education institutions, and commercial organizations follow the Uniform Guidance under Title 2 Code of Federal Regulations (CFR) Part 200 as they apply regarding the acquisition, title, use and disposition of equipment and supplies purchased with federal grant funds. These regulations apply to both direct recipients of federal grants as well as subrecipients. In accordance with these regulations and of the Technical College System of Georgia – Office of Workforce Development, the Southwest Georgia Workforce Development Board (SWGA WDB) establishes the following policy and procedures for property management.

Purpose

This policy provides guidance on the management, control, transfer, and safeguarding of property procured using Workforce Innovation and Opportunity Act (WIOA) or other granted funds, by Southwest Georgia Workforce Development Board (SWGA WDB), its contractors or subcontractors. This policy is intended to supplement but not replace any applicable federal and state laws and regulations governing the management of property purchased with WIOA or other granted funds.

Authority

Workforce Innovation and Opportunity Act
2 Code of Federal Regulations (CFR) 200

General Policy

Equipment is defined per 2 CFR 200 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.

SWGA WDB must maintain an inventory record of equipment purchased that has a unit acquisition cost of \$5,000 or more.

However, there are fixed assets with a unit cost of \$4,999 or less which may be considered by the SWGA WDB particularly vulnerable to loss, thus can be considered an attractive asset which must be tagged and inventoried. This includes equipment such as computers, printers, laptop/notebooks, scanners, copiers, and any other attractive items of value. These items should be tracked in the same manner as items with a value of \$5,000 or more

to ensure they are safeguarded and used properly for the overall accountability and responsible management of their assets. Attractive assets will be determined during annual contract negotiation. The items determined as attractive assets will be noted in the approved contract budget. Under no circumstances will SWGA WDB be responsible for any cost incurred prior to receiving authorization for approval of purchase.

In addition, prior approval is required for all purchases where the unit price for any single item is \$5,000 or more by the Technical College System of Georgia, Office of Workforce Development per WIG-GA-15-002.

Contractors and subcontractors will maintain an accurate detailed listing of all items of equipment purchased with WIOA or other granted funds and will be tagged or marked as being the property of the SWGA WDB.

At a minimum the detailed listing must include:

- Description
- Manufacturer's serial number, model number, or other identification number
- Funding source
- Title holder
- Percentage of federal participation of cost
- Date acquired
- Cost
- Use and condition
- Location
- Disposition data including date of disposal and sale price

When equipment is received and signed by designated staff, a copy of the purchase order, receipt of goods and packing list will be submitted with the monthly invoice for payment. All equipment must be tagged with a WIOA identification tag. SWGA WDB staff will schedule an appointment to tag all property or equipment received. The agreement holder will have equipment inventoried, tagged, delivered or stored immediately upon receipt.

Those in possession of property covered under this policy must ensure adequate safeguards to prevent loss, damage or theft of property. Any loss, damage or theft of property covered under this policy shall be investigated, fully documented and immediately reported to the SWGA WDB. In the case of possible theft, a copy of the report made to local law enforcement authorities must also be provided. It is expected that each agency will handle preventive maintenance and property repair as necessary and establish maintenance procedures to keep property in good condition.

Property may not be sold, removed or disposed of from the original location without prior notification and approval from the SWGA WDB. This information must be recorded on the inventory log and should list the condition of equipment at time of transfer. All fixed assets and supply inventories with an aggregate market value greater than

\$10,000 must be disposed of in accordance with federal standards for the disposition of property purchased with WIOA or other granted funds.

At the end of every program year an updated inventory list must be submitted to the awarding agency for record reconciliation and to verify the existence, use and need for the equipment.

Upon termination of services with SWGA WDB, an inventory will be completed jointly by the Service Provider and WDB staff no more than 30 days after the closing of the contract. Disposition of the property will be at the discretion of the SWGA WDB.

A physical inventory will be conducted and the results reconciled with the property records at least once every two years.

Disposal Requirements

The Technical System of Georgia, Office of Workforce Development (OWD) will require all Local Workforce Development Boards (LWDBs) to submit a request for disposal for all equipment with a current per unit fair market value of \$10,000 or more. Requests must be made in writing and must contain documentation of adequate disposal procedures. OWD will issue all decisions within 30 days of receipt of the request. Additional technical assistance may be provided regarding disposal procedures and alternative disposal options.

In addition, disposal decisions are business decisions made on behalf of each Local Workforce Development Area (LWDA) and therefore should be made with the utmost consideration for what is in the best interest of the LWDA. Disposal also needs to be made in the most efficient and cost-effective manner. Following relevant policies and procedures, it works to ensure that appropriate disposal processes are followed in all LDWA business with outside vendors.

The need to dispose of equipment should be identified as early as possible and a Request for Disposal (RFD) should be prepared. Even when a need arises suddenly an approval is sought from OWD, a thoroughly prepared RFD stands the best chance of securing the approval required.

A Request for Disposal (RFD) should set out:

- The benefits loss from the no longer use of the equipment
- The funding lines/grant awards that funded the purchase of the equipment
- The use of the program income received from the disposal. The total costs of ownership over the whole of its operational life, covering acquisition costs, maintenance and disposal, and
- How the revenue from the disposed item will promote the agency's objectives

A quality request letter should be *detailed* (e.g. describing the equipment in terms of how well it functioned, the length of time the equipment was, and its current status). It should be concise, but sufficiently detailed to enable OWD to fully understand the justification of disposal. In particular, it should include:

- Name of LWDA fiscal agent requesting disposal
- Primary contact for questions about the disposal process
- Identify equipment to be disposed of with an identification number
- The FAIN(s) that funded the purchase and broken down by percentage, if necessary
- Acquisition Date
- Purchase Price
- Other costs associated with equipment (maintenance, training, installation, etc.)
- Location of equipment to dispose
- Current condition of equipment
- Current Fair Market Value
- Discuss how disposing this equipment will impact your service delivery/participants
- Discuss how disposing this equipment will impact your performance
- Discuss how disposing this equipment will assist with obtaining your intended goal

Disposition of equipment funded by a federal award (See 2 CFR 200.313) can be achieved by the following:

- Equipment with a current per unit fair market value of \$10,000 or less (per unit) may be retained, sold or otherwise disposed of with no further responsibility to the federal agency or pass-through entity
- Except as provided in Section 200.312(b), or if the federal agency or pass-through entity fails to provide requested disposition instructions within 120 days, items of equipment with a current fair market value in excess of \$10,000 (per unit) may be retained or sold. However, the federal agency is entitled to an amount calculated by multiplying the percentage of the federal agency's contribution towards the original purchase by the current market value or proceeds from the sale. If the equipment is sold, the federal agency or pass-through entity may permit the recipient or subrecipient to deduct and retain from the federal share \$1,000 of the proceeds, to cover expenses associated with the selling and handling of the equipment.

The recipient or subrecipient may transfer title to the property to the federal government or to an eligible third party provided that the recipient or subrecipient must be entitled to compensation for its attributable percentage of the current fair market value of the property.

Property records must be maintained and should include a description of the property, a serial number, or other identification number, the source of funding for the property, who holds title, the acquisition date, and cost of the property, percentage of federal participation

in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

All dispositions must contain the following:

- A. Local Area
- B. Asset Base Information:
 - a. Title Holder
 - b. Purchase Price
 - c. Acquisition Date
 - d. Unique Identifier (i.e. Serial Number or VIN)
 - e. Location of asset
 - f. Use & Condition of asset
- C. FAIN Number(s) of awards that funded purchase and percentage from each award
- D. Current Fair Market Value
- E. Board approval of disposal

The LWDA should use the state office WorkSource Equipment Disposal Request Form.

REFERENCES

Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128, enacted July 22, 2014
Workforce Innovation and Opportunity Act Regulations, 20 CFR Parts 678, 680, 683
WIOA Section 134(c)
2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
Technical College System of Georgia – Office of Workforce Development (OWD) WIOA Policy and Procedures Manual
Technical College System of Georgia – Office of Workforce Development (OWD) Workforce Implementation Guidance (WIG) Letter: WIG GA-19-004
Technical College System of Georgia – Office of Workforce Development (OWD) Workforce Implementation Guidance (WIG) Letter: WIG GA-24-001, Disposal Requirements

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