

**THE OREGON CONSORTIUM & OREGON WORKFORCE ALLIANCE  
POLICY MEMORANDUM #WIA-14-R03/11**

**DATE:** Revised Policy Effective Date March 31, 2011

**SUBJECT:** Property Management

**REFERENCES:**

- Title 20 Code of Federal Regulations (CFR) 667.200
- Title 29 CFR 95.34, 35; Title 29 CFR 97.32, 33
- CCWD Policy 589-10.12

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**PURPOSE:**

This Policy Memorandum provides procedures for management, control, transfer and safeguarding of The Oregon Consortium & Oregon Workforce Alliance (TOC/OWA) Workforce Investment Act (WIA) property.

**DEFINITIONS:**

A unit of property is defined as a single piece of equipment, except in the case where more than one piece of equipment is needed to make an entire system functional such as a computer or telephone system. For example, when purchasing a computer, the monitor, keyboard, printer, and hard drive are all to be considered as a component of the total system, with the total system defined as a unit of property. After initial acquisition of such a system, any component part upon replacement shall be considered as a single unit of property for that type of transaction.

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

Fair Market Value (FMV): The price or value that a given property or asset would fetch in the marketplace used to compensate the funding stream(s) for its proportionate share. Methods for determining fair market value include, but are not limited to: 1) Auctions; 2) Classified advertisements for similar used items; 3) Dealers; 4) Licensed appraisers; and 5) For automobiles, trucks, and vans, utilizing a nationally approved and recognized appraisal source.

Non-expendable Personal Property: Tangible personal property having a useful life of more than one (1) year and a unit acquisition cost of \$500 or more per unit.

Real Property: Land, building and improvements to building and structures, excluding movable machinery and equipment.

## **POLICY:**

The TOC/OWA Administrative Office and contractors will maintain accountability for all property and equipment purchased in part or entirely with funds provided through TOC/OWA in accordance with the requirements set forth in 29 CFR Parts 95 and 97.

Title to all useable and accountable Job Training Partnership Act property transferred to the WIA is held by TOC/OWA in accordance with 29 CFR 97.32 of the Department of Labor Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

## **REQUIREMENTS**

- A. Real Property.** The TOC/OWA Administrative Office and contractors shall not purchase real property or make improvements to real property using federal funds provided through TOC/OWA , except as list below:
1. Requirements for physical and programmatic accessibility and reasonable accommodation as required by the Americans with Disabilities Act (ADA) of 1990 and the Rehabilitation Act of 1973, as amended
  2. To fund repairs, alterations, and capital improvements of State Employment Service Agency (SESA)-owned real property or JTPA-owned property transferred to the WIA Title I program
  3. Job Corps facilities
  4. To fund disaster relief employment projects

These requirements also apply to real property costs for One-Stop facilities.

## **B. Prior Approvals.**

1. **Real Property.** If incurred for one of the four reasons listed above the costs of capital assets, such as acquisition of real property and renovations/rearrangements that will result in or increase equity regardless of dollar threshold, must receive prior approval from the Department of Community Colleges and Workforce Development (CCWD) through the TOC/OWA Administrative Office. Requests for approval must include all information pertinent to the transaction such as description of the cost item, solicitation methodology, cost justification, equity distribution, etc.
2. **Equipment.** Regulations require that for purchase of selected items of costs such as equipment, prior approval from the CCWD through the TOC/OWA Administrative Office must be obtained. Prior approval is also required for disposition of equipment with a current fair market value over \$5,000. Requests using the TOC/OWA Addition/Deletion Form must include all information pertinent to the item to be purchased/disposed such as description of the item, solicitation methodology used to justify cost, serial number(s), cost-benefit analysis, etc.

**C. Acquisition.** When acquiring replacement equipment, the contractor may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.

**D. Ownership of Property.** Unless otherwise specified in property records, ownership of all non-expendable personal property and equipment purchased with funds that passed through TOC/OWA belongs to TOC/OWA. TOC/OWA may take possession of all such property and equipment at any time during and upon termination of contract. If it is desirable to transfer ownership, compensation will be calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

**E. Inventory.** The TOC/OWA Administrative Office and contractors shall maintain an up-to-date inventory of all non-expendable personal property and equipment purchased with funds in whole or in part that passed through TOC/OWA with a acquisition unit price of \$500.00 (five hundred dollars) or more.

1. **Property Records.** Property records shall be maintained accurately. Authorizing documents to purchase non-expendable property will be available onsite. Records will contain the following:

- Description of property;
- Asset Type;
- Identification number (i.e. Asset Tag);
- Serial Number;
- Source of funds (CFDA/Grant);
- If jointly funded, the share of the cost by funding stream;
- Title holder;
- Acquisition date (or date received, if property was furnished by TOC/OWA, the State or Federal government);
- Cost of Property;
- Percentage of Federal participation in the cost of the property;
- Location of property;
- Condition of property;
- Indicate if property is in use or not;
- Ultimate disposition data, to include:
  - Date of disposition
  - Selling price
  - Method used to determine current fair market value

2. **Inventory Report.** On an annual basis, TOC/OWA Administrative Office and contractors shall conduct a physical inventory of equipment and property purchased with funds in whole or in part that passed through TOC/OWA. The report shall contain the printed name of the person verifying the property, and the date of when the verification

took place. A list of the same shall be submitted as directed to the TOC/OWA Administrative Office.

3. **The listing** of the physical inventory shall include reconciliation with the property records.
  - a. Any differences between quantities determined by the physical inspection and those shown in the inventory records shall be investigated to determine the causes of the difference.
  - b. The results of the reconciliation shall be reported to TOC/OWA as part of the inventory report.

The contractor shall, in connection with the inventory, verify **the existence**, current utilization and continued need for the equipment.

**F. Property Safeguards.** TOC/OWA Administrative Office and contractor must ensure adequate safeguards to prevent loss, damage, or theft of property. Non-expendable personal property and equipment shall be identified by a tag or permanent decal to indicate ownership – as appropriate. Any loss, damage, or theft of property or equipment shall be investigated, fully documented, and must be immediately reported to the TOC/OWA Administrative Office. In the case of possible theft, a copy of the report made to the local law enforcement authorities must also be provided.

**G. Disposition of Property/Equipment.** Upon termination of contract or as otherwise requested, the contractor will submit to TOC/OWA within (20) days inventory schedules covering all items of TOC/OWA property not consumed in the performance of the contract. All property/equipment regardless of original cost or current value purchased in part or in full under a TOC/OWA contract shall be returned to the TOC/OWA Administrative Office within (30) days after the contract has terminated, unless otherwise authorized by TOC/OWA.

At other times during the contract period, if an original or replacement piece of property acquired under a TOC/OWA contract is no longer needed for the original project or program or for other activities currently supported by a TOC/OWA grant, the contractor is required to take one of three courses of action depending on the FMV threshold:

1. Disposition of property with a FMV of \$499.99 or less will be the responsibility of contractor. It may be given to participants to further their training and/or employability, transferred to other activities (federal or non-federal), or sold without further obligation to the WIA program. If it is sold, the local procedures of the organization must be applied.
2. Disposition of property with a FMV of \$500 or more the contractor is required to contact and provide the Chief Administrative Officer information on the property to be disposed, methodology for establishing FMV and the proposed methodology of disposition. Prior to taking action, a confirmation authorizing disposition shall be received from the CAO within three business days.

3. Disposition of property with a FMV of \$5,000 or more the contractor will require disposition instructions to be sought from CCWD through the TOC/OWA Administrative Office using the Transfer/Deletion form. Procedures prescribed in 29 CFR 97.31 or 95.32 will apply.

**H. Property Re-Distribution.** The TOC/OWA Administrative Office shall be responsible for the disposition of property that comes into the possession of the Consortium. When it is necessary and reasonable to do so, the Administrative Office shall direct the re-distribution of available property to current contractors.

To the extent possible, all property will be re-distributed to contractors on an equitable basis – taking into consideration the needs of the local workforce development system.

**I. Use.** The WIA regulations at 20 CFR 667.200(a)(8) allow for the use of grant purchased equipment for non-federal activities with the condition that such use will not interfere with services provided to WIA clients. In those instances where equipment is used for such purposes a use fee must be charged and the proceeds from this activity will be treated as program income.

In all other instances, WIA purchased property must be used for allowable activities under the terms of the contract, grant or other agreement.

**J. Insurance.** Property residing in the regions will be covered by the contractors insurance and shall list TOC as an additional insured. Property residing at the TOC/OWA Office will be covered by the Administrative Office.

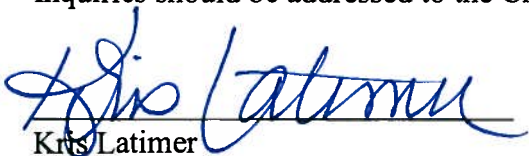
**K. Monitoring.** Monitoring of property will include a review of contractor's procedures and policy for compliance with federal regulations, State and TOC/OWA policies.

**ACTION:**

The TOC/OWA administrative office and the contractor shall follow this policy. This policy will remain in effect from the date of issue until such time that a revision is required.

**INQUIRIES:**

Inquiries should be addressed to the Chief Administrative Officer at 1-866-888-4TOC.

 4/4/11  
Kris Latimer  
Chief Executive Officer