

# Northwest Workforce Council

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## POLICY AND PROCEDURE DIRECTIVE

**EFFECTIVE DATE:** June 30, 2016

**SUBJECT:** Property Management and Inventory

**REFERENCE #:** WIOA 01–22

The following policy is established to ensure the proper management of all property obtained through Workforce Innovation and Opportunity Act (WIOA) funds, including property purchased with the Workforce Investment Act funds and transferred to WIOA. This policy applies to capital assets, but not real property (i.e., land and buildings). Furniture, fixtures, software, or other “equipment” not considered an integral part of a building and with a unit acquisition cost of \$5,000 or less is not considered property and is to be classified as equipment.

### Property Management

To ensure an organized and consistent approach to the management of property, the WIOA Property Database will be used to record and track property purchases. This inventory system will guarantee that the following items are collected:

- 1) a description;
- 2) the serial and model number or other identification number
- 3) source of property, including grant or agreement number;
- 4) whether title rests with Northwest Workforce Council, state or federal government or other entity;
- 5) acquisition date and cost;
- 6) percent of federal participation in the project that purchased the equipment;
- 7) location, use, condition, and date the information was reported;
- 8) the date of disposal; and
- 9) a unique identification number (WIOA tags issued by the State of Washington).

All WIOA property purchased shall be inventoried and tagged that has a purchase or depreciated value of \$5,000 or more.

In addition, the following small and attractive assets with unit costs of \$300 or more will be tagged and included into the WIOA property database: Laptops and notebook

computers, tablets and smart phones. The following assets with unit costs of \$1,000 or more will also be tagged and included: cameras and projection equipment; desktop computers (PCs); televisions; and similar equipment.

Records will document who the item was issued to and its disposition. The Regional Manager or Deputy Director will obtain prior written approval from Employment Security Department for all equipment expenditures in excess of \$5,000 or more.

A physical inventory of all property contained in the Property Database will be conducted annually. The inventory is to be completed by someone other than the Property Manager. Any discrepancies found during a physical inventory shall be reported to the Property Manager and investigated.

Any damaged, stolen, or missing serialized property on inventory must be reported to the Deputy Director within ten days (10) of the finding. For missing and stolen property the local police department should be notified and a police report filed. Additionally, any lost, damaged or theft of WIOA equipment valued at \$5,000 or more should be investigated and reported to Employment Security Department within ten days of the occurrence.

### **Procedures for Recording New Inventoried Property**

- 1) All invoices must be reviewed to determine if the item purchased should be inventoried, using the criteria detailed above.

The individual approving the invoice for payment (Deputy Director or Regional Manager) is responsible for making this determination when approving the invoice. Items meeting the criteria should be stamped and coded to Function 8700 (Equipment Purchase).

In the review of invoices the Financial Director or Operations Support Specialist should return to the Regional Manager all invoices that appear to meet the requirements of this policy that have been coded incorrectly. The Regional Manager will review the invoice and make a final determination.

- 2) The Operations Support Specialist will provide a copy of the invoice to the Property Manager. The Property Manager or designee will enter the required information into the WIOA Property Database. When all data items are entered and the record is saved, a Property Verification Report will be printed.
- 3) The Property Manager or designee will tag the item, checking that the serial number, item description, manufacture, etc. matches the Report. The Report is then dated and initialed to verify that the item is tagged.
- 4) The completed Property Tag Verification Report indicating that the item has been tagged is retained by the Property Manager.

## **Property Disposition**

When acquiring replacement equipment, the equipment to be replaced may be used as a trade-in or sold. When selling property, the proceeds shall be used to offset the cost of the replacement property. The replacement property must be for a like item. Proper sales procedures must be established to ensure the highest possible return. When acquiring replacement equipment, the approval for the trade-in or selling of property must be obtained in writing from the Deputy Director.

For the disposition of non-expendable property with an acquisition cost of \$5,000 or more, instructions on disposition will be obtained from the Employment Security Department. For the disposition of non-expendable property with a unit acquisition cost of under \$5,000 the following guidelines apply:

- 1) Item must be assessed to be of no further use, and
- 2) it must be determined if it is on WOIA inventory.

## **Property without Market Value**

Both inventoried and non-inventoried property need to be assessed by the Property Manager as to whether the property has any potential continued use/market value. If the item is judged to be without value, then it must be rendered inoperable before disposal.

## **Property with Market Value**

If the property is judged to still have value, there are two options for disposal:

- 1) The property may be donated to a non-profit agency that has a mission similar to that of the Workforce Council.
- 2) The property can be sold. Any sale of property must be advertised to the public. If the property is on WIOA inventory any proceeds from the sale are to be credited to existing grants. If the property is not inventoried, proceeds will be credited to the general account.
- 3) If property is to be sold, the Property Manager must ensure all personally identifiable information is destroyed and rendered inaccessible prior to releasing NWC's possession of said property.

## **Property Disposal Verification**

The disposal of property should be verified:

1. If the item is on WIOA inventory, a Property Disposal Verification form should be completed.
2. For non-inventoried property, a memo listing the item and the manner of disposal (i.e. transferred, destroyed, donated, or sold) should be noted.

The Property Disposal Verification form or memo must be signed by the Regional Manager and one other employee who has witnessed the disposal of the property.

Regardless of the nature of disposal, all inventoried WIOA property that is disposed of shall be deleted from inventory. The completed Property Disposal Verification form or memo will be maintained by the by the Property Manager.

### **Property Transfer WIA to WIOA**

All WIA property on inventory with a depreciated value over \$5,000 must be transferred to WIOA and inventoried. WIA property not transferred should be disposed of in a manner consistent with local or state policy as appropriate.

### **References:**

- Public Law 113-128
- 2 CFR Part 200 Subpart D; Post Federal Reward Requirements: Property Standards
- 2 CFR Part 200 Subpart F; Audit Requirements: Management Decisions, Appendix XI to Part 200-Compliance Supplement
- Federal Register Vol. 65, No. 124, Resource Sharing for Workforce Investment Act One-Stop Centers
- Generally Accepted Accounting Principles (GAAP)
- Washington State Employment System Administration and Policy #5407