**Workforce Investment Act Title I-B
Washington State Policies**

**SECTION C: General Administration**

*Grantees, subrecipients, and contractors funded under the Workforce Investment Act (WIA), whether in whole or in part, must abide by the Workforce Investment Act of 1998, the WIA Regulations, all applicable Office of Management and Budget (OMB) circulars, state requirements in laws and rules (Revised Code of Washington Administrative Code) Office of Financial Management (OFM) policies and the Washington State WIA policies.*

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| **EFFECTIVE DATE:WIA POLICY NUMBER:** **SUBJECT:**   | September 9, 20023452Property Management and Inventory |

[**BACKGROUND**](http://www.wa.gov/esd/1stop/policies/documents/archive/3452.htm#BACKGROUND) **|** [**POLICY**](http://www.wa.gov/esd/1stop/policies/documents/archive/3452.htm#POLICY) **|** [**DEFINITIONS**](http://www.wa.gov/esd/1stop/policies/documents/archive/3452.htm#DEFINITIONS) **|** [**WEBSITE**](http://www.wa.gov/esd/1stop/policies/documents/archive/3452.htm#WEBSITE) **|** [**INQUIRIES**](http://www.wa.gov/esd/1stop/policies/documents/archive/3452.htm#INQUIRIES)

**BACKGROUND**

**This policy describes requirements for the acquisition, management and inventory of property, other than real property as defined in Washington State OFM Policy. PL 105-220 Sec.184(a)(2)(A) requires each state, local workforce development area 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).**

**This policy applies to capital assets, but not to real property, i.e. land and buildings. Furniture, fixtures, software, or other "equipment" not 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.**

**POLICY**

**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). Individuals and organizations must adhere to the property management standards as set forth in these sections.**

**Each Local Workforce Development Area (LWDA) is responsible to have a written policy addressing how they will ensure the management and inventory of all properties obtained using WIA funds, including property purchased with Job Training Partnership Act (JTPA) funds and transferred to WIA.**

**Each WDA will develop a written policy that complies with WIA, Washington State Office of Financial Management (OFM) policy or, in the cases of local government, the Local Government Property Acquisition Policy. Local policy will, at a minimum, address the following:**

**Equipment Management and Inventory**

**1. Grantees will retain property records that provide:**

* **an item description;**
* **the serial and model number or other identification number;**
* **the source of property, including grant or agreement number;**
* **whether title rests with grantee, state or federal government, other entity;**
* **acquisition date and cost;**
* **percent of federal participation in the project that purchased the equipment;**
* **location, use, condition, and date the information was reported; and**
* **the date of disposal.**

**2.  A copy of the inventory of property must be maintained on file and available for review.
     In addition, all grantees must:**

* **keep property in good condition;**
* **use procedures to gain highest possible return on sold items;**
* **retain all records for three years after disposal of property; and**
* **tag all property purchased with WIA funds that has a purchase or depreciated
value of $5,000**

**3.  In addition to the above points 1 and 2, for small and attractive assets each grantee:**

**NOTE: Section 30.40.30 of the State Office of Financial Management Standards
     Accounting  Manual (the word "grantee" has been substituted for "agency" for ease
     of understanding)**

* **should perform a risk assessment (both financial and operational) of the grantee’s
assets to identify those assets that are particularly at risk or vulnerable to loss. Assets so identified that fall below capitalization policies are considered small and attractive assets.**
* **should implement measures to control small and attractive assets in order to minimize identified risks. Periodically, the grantee should perform a follow up risk assessment to determine if the additional controls implemented are effective in managing the identified risks.**
* **Grantees must include as small and attractive assets all items in the commodity class code major group 10XX – Weapons, Firearms, Signal Guns, and Accessories. Otherwise, grantees have discretion in setting their definition of small and attractive assets. However, absent a risk assessment and development of written policies for identifying and controlling small and attractive assets, grantees must include, at a minimum, the following assets with unit costs of $300 or more as small and attractive:**
* **Communications Equipment, Public Safety: Audio and Video**
* **Optical Devices, Binoculars, Telescopes, Infrared Viewers, and Rangefinders**
* **Cameras and Photographic Projection Equipment**
* **Microcomputer Systems, Laptop and Notebook Computers**
* **Other IT Accessorial Equip. and Components (Scanners, Data Displays, etc.)**
* **Office Equipment**
* **Record Players, Radios, Television Sets, Tape Recorders, VCRs, and Video Cameras, Home Type**

**Depreciation**

**Areas may use either the following OFM Guidelines State Accounting Manual Section 30.20.70.c or policies established by their local government.**

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

**Annual Depreciation = Cost – Salvage Value
                                            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 or 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 – Grantees are required to use the useful life shown in Schedule A, Capital Asset Commodity Class Code List and Useful Life Schedule** [**(Subsection 30.50.10**](http://www.ofm.wa.gov/policy/30.50.htm#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. Grantees are responsible for establishing and utilizing an appropriate useful life for assets acquired in less than new condition.**

**DEFINITIONS**

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

**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 Subsection** [**30.20.70**](http://www.ofm.wa.gov/policy/30.20.htm#30.20.70)**. This element is not applicable to small and attractive assets.**

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

**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.**

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

**Supplies: All personal property other than equipment.**

**Useful Life - The estimated useful life of the capital asset in years. Refer to** [**Subsection 30.50.10**](http://www.ofm.wa.gov/policy/30.50.htm#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.**

**All fiscal policies and guidance letters published for WIA are governed, as appropriate, under:**

* **PL 105-220 Sec.184(a)(2)(A)**
* **20 CFR Part 652**
* **29 CFR Part 95**
* **29 CFR Part 97**
* **OMB Circular A-21: Cost Principles for Education Institutions**
* **OMB Circular A-87: Revised Cost Principles for State and Local Government and
Indian Tribal Government**
* **OMB Circular A-110, \_\_.30 Property Standards**
* **OMB Circular A-122: Cost Principles for Non-Profits**
* **OMB Circular A-133: Audit of State and Local Government**
* **OMB Circular A-133: Compliance Supplement**
* **Federal Register Vol. 65, No. 124, Resource Sharing for Workforce Investment Act
One-Stop Centers**
* **Generally Accepted Accounting Procedures (GAAP)**
* **Washington State Employment Security Department Policy and Procedures**
* **Washington State Office of Financial Management Policy and Procedures**

**The following is a helpful connection to the on-line OFM State Accounting Manual:** [**http://www.ofm.wa.gov/policy/30.htm**](http://www.ofm.wa.gov/policy/30.htm)

**WEBSITE**

[**http://www.wa.gov/esd/policies/title1b.htm**](http://www.wa.gov/esd/policies/title1b.htm)

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