
Property Management Inventory & Control Policy

POLICY NUMBER: ADM-3014, Rev. 2

DATE: February 11, 2022

SUPERSEDES: Property Management & Inventory Control Policy # ADM-3014, Rev. 1 released April 9, 2021

PURPOSE

The purpose of this policy is to communicate WorkForce Central's requirements for the purchasing, management, and inventory control measures for property other than real property (i.e., land and buildings). This policy applies to purchases made with Workforce Innovation and Opportunity Act (WIOA) and other grants issued to WorkForce Central and on behalf of WorkForce Central staff, WorkForce Central subrecipients, and WorkForce Central contractors.

This policy applies to capital assets, but not 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. Examples of other equipment may include, but are not limited to chairs, office furniture, cell phones, laptops, tablets, notebook computers, desktop computers, monitors, smart phones, cameras, televisions, DVD players, Blu-ray players, video cameras, printers, fax machines, servers, switches, projectors, and copiers.

This policy is revised to:

- Include directions for subrecipients and contractors to notify WorkForce Central prior to making WIOA Title I or other WorkForce Central grant funded property and equipment purchases.
- Clarify technology devices such as computers, laptops, tablets, etc. must first be approved by WorkForce Central's Technology Team to ensure the device meets both security and business compatibility requirements.
- Clarify that WorkForce Central is the responsible party for placing inventory tags on property and equipment purchased with WIOA Title I or other WorkForce Central grants.

BACKGROUND

WorkForce Central adheres to the property management standards established in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Subpart D-Post Federal Award Requirements, Property Standards (2 CFR 200).

POLICY

It is the responsibility of WorkForce Central and its sub-recipients and contractors to maintain a property management inventory system that safeguards against loss and ensures integrity of purchases made with WIOA and other grants issued to WorkForce Central and purchased on behalf of WorkForce Central staff, its sub-recipients, and its contractors. WorkForce Central and its sub-recipients and contractors must follow the procedures outlined in this policy for the purchase, management, inventory, and use of property and equipment purchased with grants issued by WorkForce Central.

WorkForce Central will maintain a Property Inventory Team who has been delegated the responsibility for ensuring the security and integrity of these purchases. WorkForce Central's Property Inventory Team can be reached at support@workforce-central.org.

Detailed purchase and inventory records must be maintained at all times and available upon request.

PROCEDURES

The following procedures must be adhered to for purchases made by WorkForce Central on behalf of WorkForce Central staff, its subrecipients and its contractors.

Prior to Purchase

Subrecipients and contractors must notify their WorkForce Central contract manager prior to making an equipment purchase. The notification must include:

- Type of property or equipment to be purchased.
- Purpose of the property or equipment.
- Staff assigned to the property or equipment.
- Location where property or equipment will be used.
- Percentage of time the property or equipment will be used by the WIOA Title I or other WorkForce Central grants.

The WorkForce Central contract manager will notify the subrecipient or contractor of the allowability of the purchase.

If technology devices such as computers, laptops, tablets, etc. are to be purchased, WorkForce Central's Technology Team must first ensure the device is compatible with security standards and business needs. For example, computers, laptops, tablets, etc. must be a business edition; home edition technology devices will not be authorized.

Notification

Subrecipients and contractors must notify the WorkForce Central Property Inventory Team on the following occasions:

- Upon arrival of the new property or equipment. The following information must be provided:
 - Date item received.
 - Copy of purchase invoice/receipt.
 - Inventory requirements listed below.
- When status changes to the property and equipment occur, including but not limited to:
 - Change of primary location.
 - Change in assigned staff.
 - Equipment is no longer needed.
 - Item no longer functions properly/is broken.
 - Property identified as missing from their inventory records.
 - Missing, damaged, or stolen items.
 - When an item is ready for surplus.
- At contract termination at which time property and equipment must be returned.

Inventory

Inventory must be easy to locate, properly tagged, and in good condition at all times.

WorkForce Central's subrecipients and contractors must maintain their own inventory logs of property purchased with funds issued by WorkForce Central. WorkForce Central's Property Inventory Team will also maintain separate inventory records for WorkForce Central, its sub-recipients and contractors. WorkForce Central will furnish each sub-recipient and contractor with a copy of their inventory records for review on an annual basis. The sub-recipient or contractor must notify the WorkForce Central Property Inventory Team of any noted discrepancies between the records. WorkForce Central's Property Inventory Team and the sub-recipient or contractor will partner to resolve the discrepancies. Additional inventory control requirements include:

- WorkForce Central's Technology Team must place an inventory tag on property and equipment.
- Acquisition records such as receipts must be retained for all purchases on the inventory list.

- WorkForce Central, its sub-recipients and contractors must maintain inventory records that include, at a minimum, the following information as prescribed in 2 CFR 200.313(d)(1):
 - Description of property
 - Serial number
 - Source of funding, including FAIN
 - Title holder
 - Acquisition date
 - Cost of property
 - Percentage of Federal funds
 - Location
 - Use and condition
 - Disposition date
 - Sale price, if applicable
 - Tag number
- [Sample Inventory Log](#)

Risk Assessment for Items at Particular Risk or Vulnerable to Loss

As required in WA State Office of Financial Management (OFM) Chapter 30.40.20, the WorkForce Central Property Inventory Team will conduct a risk assessment (both financial and operational) on assets purchased for WorkForce Central, WorkForce Central sub-recipients and WorkForce Central contractors, that are at particular risk or vulnerable to loss. WorkForce Central has identified all equipment with the exception of furniture as being most at risk to loss. The risk assessment will occur simultaneously as the annual physical inventory. Operational risks include risks associated with data security on mobile or portable computing devices that store or have access to state data. See OFM [Small and Attractive Capital Asset Risk Assessment Guidelines](#) for more information.

WorkForce Central's Property Inventory Team will share the documented outcomes of the risk assessments with WorkForce Central Contract Managers and WorkForce Central Compliance Department and the applicable sub-recipients and contractors.

Periodic follow-up risk assessments will occur to determine if the additional controls implemented were effective in managing the identified risk.

Compliance Monitoring

Compliance monitoring is an ongoing activity facilitated through a partnership with WorkForce Central's Property Inventory Team, Contract Managers, and WorkForce Central's Contract and Compliance Department who collectively ensure WorkForce Central and its sub-recipients and contractors remain in compliance with applicable Uniform Administrative guidance, WA State policies and procedures, and local property management and inventory control policies.

On a minimum annual basis, WorkForce Central will facilitate a formal compliance review of its grant funded sub-recipients' and contractors' property management inventory control measures. The following must be made available upon request by local, state, and federal monitors and auditors, and any other individual authorized to conduct mandated compliance reviews:

- Purchases funded with grants through WorkForce Central.
- Inventory records.
- Evidence of physical annual inventories and outcomes the annual inventories.
- Results of risk assessments.

Missing, Damaged, or Stolen Property

Missing, damaged, or stolen property purchased with grants issued to WorkForce Central on behalf of WorkForce Central staff, it's subrecipients, and its contractors must be reported immediately to the WorkForce Central Property Inventory Team via phone 253-732-1704 and email support@workforce-central.org. Any loss, damage or theft must be investigated immediately. The following OFM Chapter 30.40.80 guidelines must be adhered to:

- Search for the missing property.
- If the missing property is not found, follow the loss policy at OFM Chapter 70.75:
 - Take action to minimize the loss.
 - Ensure that investigations are not hampered.

- Ensure that bond claims are not jeopardized, if applicable.
- Ensure that appropriate personnel actions are taken, if applicable.
- If appropriate, report the suspected loss to the Department of Enterprise Services Risk Management Office.
- Comply with RCW 43.09.185 and immediately report losses to the office of the State Auditor (SOA).
- If applicable, comply with RCW 43.09.330 and include the SAO and the Office of the General in any loss settlement.
- Remove the lost or stolen property from the agency's inventory and accounting records where applicable.
- Maintain records for losses of inventoriable assets in accordance with approved agency records retention schedules.

Property Disposal

WorkForce Central staff, its sub-recipients, and its contractors must notify the WorkForce Central Property Inventory Team when an item is ready for surplus or to be disposed. WorkForce Central Property Inventory Team will:

- Cleanse the equipment to remove all confidential, sensitive, and personally identifiable information.
- Designate items for surplus.
- Evaluate the condition of the item and assign the condition as obsolete, poor, or scrap.
- Determine method of disposal, including appropriate E-waste recycling options.
- Dispose of the item in compliance with applicable funding regulations, which may include:
 - Offering the item to federally funded sub-recipients or contractors for which the items was originally purchased.
 - Offer the item to WorkSource partners.
 - Donate the item to a local non-profit organization.
 - Sell the item.
- Use procedures to gain highest possible return on sold items.
- Record disposal status in the WorkForce Central inventory system.
- Notify the WorkForce Central Fiscal Department of the disposal of property.
- Retain purchase and disposal records for three (3) years after disposal of property.

Establishing Asset's Useful Life and Calculating Depreciation

WorkForce Central is required to follow the WA State Office of Financial Management (OFM), Section 30.50.10.a Capital Asset Class and Local Code Table Schedule A for capital assets in new condition. For energy efficiency equipment and products, refer to Addendum to Schedule A in Section 30.50.10.b. However, a shorter or longer estimated life may be used depending on factual circumstances, replacement policies, or industry practices. WorkForce Central is responsible for establishing and utilizing an appropriate useful life for assets acquired in less than new condition.

WorkForce Central will calculate depreciation using the straight-line method in the OFM State Administrative and Accounting Manual (SAAM) Section 30.20.70.b. To calculate depreciation using the straight-line method:

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$

Salvage value is an estimate of the amount that will be realized at the end of the useful life of a depreciable asset.

REFERENCES

- Public Law 113-128-WIOA
- 2 CFR Part 200, Subpart E; Cost Principals: Special Considerations for States, Local Governments and Indian Tribes
- 2 CFR Part 200 Subpart D; Post Federal Award 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)
- OFM State Administrative and Accounting Manual, Section 30
- WA State Office of Financial Management (OFM) Policy and Procedures
- ESD Policy 5407 – Property Management and Inventory

APPROVED



Katie Condit (Feb 11, 2022 12:21 PST)

Feb 11, 2022

Katie Condit, WFC CEO

Date

EQUAL OPPORTUNITY - EQUAL ACCESS

WorkForce Central is an equal opportunity employer/program.

Auxiliary aids and services are available upon request for individuals with disabilities. Washington Relay Service – 711.