



Administrative Policies

Property & Equipment Management & Inventory Control

POLICY #:	<i>ADM-3014, Rev. 6</i>
EFFECTIVE:	<i>July 9, 2026</i>
SUPERSEDES:	<i>Property Management & Inventory Control Policy #ADM-3014, Rev. 4, dated September 3, 2024</i>

PURPOSE:

This policy provides direction for the management and inventory control measures for property and equipment, other than real property (i.e., land and buildings). This policy applies to purchases made with grants issued to WorkForce Central and its subrecipients and contractors.

This policy was revised to align with the Washington State Employment Security Department (ESD) Policy 5407, Revision 1 including:

- Separating purchases considered “equipment” from purchases considered “property” as reflected in the updated title to this policy.
- Increasing the dollar threshold from \$5,000 to \$10,000 for classifying an item as “equipment” when purchasing items with federal funding awarded on or after October 1, 2024.
- Adding the federal and state requirement for a physical inventory of assets and equipment and reconciliation with property records every two years.

The following is to be classified as “equipment” and not “property”:

- Furniture, fixtures, software, or other “equipment” not an integral part of a building and with a unit acquisition cost of \$5,000 or less *if purchased with federal funding awarded prior to October 1, 2024,*
- Furniture, fixtures, software, or other “equipment” not an integral part of a building and with a unit acquisition cost or with an acquisition cost of \$10,000 or less *if purchased with federal funding awarded October 1, 2024, or later.*



BACKGROUND:

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

POLICY:

WorkForce Central, its subrecipients and contractors must comply with this policy and maintain property and equipment management inventory systems that safeguard against loss while ensuring the integrity of purchases made with federal and other grants. Inventory must be easy to locate and in good condition at all times.

WorkForce Central will maintain a Property & Equipment Inventory Team who is responsible for ensuring the security and integrity of property and equipment purchases. The Property & Equipment Inventory Team can be reached at support@workforce-central.org.

INVENTORY LOGS:

Inventory logs must be maintained for items with a value of \$300 or more and purchased with WorkForce Central issued grants. To ensure compliance with federal property and equipment inventory requirements and consistency with WorkForce Central inventory tracking, subrecipients and contractors are encouraged to use this [inventory log](#) (hyperlink). If a subrecipient or contractor chooses to use their own inventory log, the following must be documented in accordance with 2 CFR 200.33(d)(1):

- Tag number
- Description of the purchase
- Serial number
- Source of federal funding, including FAIN
- Title holder
- Acquisition date
- Cost of the purchase
- Percentage of federal funds
- Location of the item
- The use and condition of the item
- Disposition date
- Sale price, if applicable

WorkForce Central's Property & Equipment Inventory Team will maintain their own inventory logs for WorkForce Central, its subrecipients and contractors. The Property & Equipment Inventory Team ensures WorkForce Central's inventory logs align with the subrecipient and contractor's inventory logs and reviews the logs for accuracy and compliance with federal property inventory regulations and this policy. When applicable, the Property & Equipment Inventory Team will work with the subrecipient or contractor to resolve issues and provide assistance to ensure the subrecipient or contractor's inventory logs are brought into compliance.

PROCEDURES:

1. Requesting a purchase:

- i. For technology purchases, WorkForce Central staff, its subrecipients and contractors must first consult WorkForce Central's Property Inventory Team at support@workforce-central.org to ensure the technology meets WorkForce Central's security and other standards.
- ii. After a proposed technology purchase is approved by WorkForce Central's Property & Equipment Inventory Team, and for non-technology purchases, WorkForce Central staff will complete WorkForce Central's internal online procurement request. WorkForce Central's subrecipients and contractors will complete WorkForce Central's external online property purchase request that includes:
 - a. Type of property or equipment to be purchased.
 - b. Purpose of the item to be purchased.
 - c. Staff assigned to the item.
 - d. Location where the item will be used and stored.
 - e. Percent of grant funds allocated to the item.
 - f. An uploaded document identifying the make, model, and cost of the item.
 - g. The subrecipient's or contractors current inventory log.
 - o WorkForce Central's Property & Equipment Inventory Team will have up to five (5) business days to review the inventory log for accuracy and compliance with federal property management inventory requirements. If applicable, the subrecipient or contractor must remedy issues identified on the inventory log prior to WorkForce Central authorizing the requested purchase.
- iii. Following the submittal of the online purchase request, and for WorkForce Central subrecipients and contractors, approval of their inventory log, WorkForce Central staff, its subrecipients and contractors will receive an automated email notifying them of the approval or denial of the purchase request.

2) Tagging Items: Items with a value of \$300 or more (except furniture, fixtures, and software) must be tagged. Upon receipt of the approved purchased item, WorkForce Central staff, its subrecipients and contractors must notify the WorkForce Central Property Inventory Team to coordinate the tagging of the item. WorkForce Central, its subrecipients and contractors must then record the tag number on their inventory log.

3) Property status changes: WorkForce Central's Property & Equipment Inventory Team must be notified of the following and inventory logs must be updated to reflect:

- i. Change of the primary location of the item.

- ii. Change in assigned staff.
 - iii. If the item is no longer needed.
 - iv. The item no longer functions properly or is broken.
 - v. Property or equipment is missing from inventory records.
 - vi. When items are missing, damaged, or are stolen.
 - vii. When an item is ready for disposal.
- 4) **Missing, damaged or stolen property or equipment:** Missing, damaged, or stolen property or equipment must be reported immediately to the WorkForce Central Property & Equipment Inventory Team via phone at 253-732-1704 or email at support@workforce-central.org. Any loss, damage, or theft must be investigated immediately. The following must be adhered to:
- i. Document steps taken to search for the missing property or equipment.
 - ii. Take action to minimize the loss.
 - iii. Assess whether the lost property or equipment contained any personal information, and if the loss constitutes a data breach (RCW 42.56.590), notify individuals and businesses affected by the breach, and if the security breach affects more than 500 Washington residents, the Attorney General's Office.
 - iv. Ensure investigations are not hampered.
 - v. Implement appropriate personnel actions if necessary.
 - vi. Comply with [RCW 43.09.185](#) and immediately report losses to the office of the State Auditor (SAO).
 - vii. Maintain records of losses in accordance with this policy.
- 5) **Contract termination:** Upon completion of a contract, the subrecipient or contractor may return property or equipment to WorkForce Central or purchase the item at the depreciation value with non-WorkForce Central issued grant funds.
- 6) **Property and Equipment Disposal:** WorkForce Central staff, its subrecipients and contractors must notify the WorkForce Central Property & Equipment Inventory Team when an item is ready for surplus or disposal. The Property & Equipment Inventory Team will:
- i. Cleanse the equipment to remove confidential, sensitive, and personally identifiable information.
 - ii. Designate items for surplus.
 - iii. Assign the condition as obsolete, poor, or scrap.
 - iv. Determine the method of disposal, including appropriate E-waste recycling options.
 - v. Dispose of the item in compliance with applicable funding regulations which may include:

- a. Offering the item to subrecipients or contractors for which the item was originally purchased.
- b. Offer the item to WorkSource partners.
- c. Donate or sell the item.
- vi. Use procedures to gain highest possible return on sold items.
- vii. Record disposal status on the applicable inventory log.
- viii. Notify the WorkForce Central fiscal department of the disposal of property or equipment.

7) Records Retention: Acquisition and disposal records must be retained for all purchases on the inventory list for a period of at least six (6) years after contract closeout.

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. Estimating an items useful life is dependent on factual circumstances, replacement policies, or industry practices. WorkForce Central is responsible for establishing and utilizing 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:

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

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

RISK ASSESSMENT

As required in WA State Office of Financial Management (OFM) chapter 30.40.20, WorkForce Central's Property & Equipment Management Team will conduct a risk assessment on assets purchased for WorkForce Central, its subrecipients and contractors that are at risk or vulnerable to loss. 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.

COMPLIANCE MONITORING

Federal and state policy requires a physical inventory of federal capital assets and equipment and a reconciliation of the inventory with property records at least once every two years. WorkForce Central conducts ongoing monitoring of its subrecipients and contractors' compliance with

federal, state, and local property and equipment management and inventory policies including an annual physical inventory and reconciliation of property records. The following must be made available upon request by authorized federal, state, and local monitors or auditors:

- Purchases funded with grants issued through WorkForce Central.
- Inventory records.
- Evidence of minimum annual physical inventory reviews, and outcomes of the reviews.

REFERENCES

- Public Law 113-128- WIOA
- 2 CFR Part 200, Subparts D, E and F
- Federal Register Vol. 65, No. 124
- 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 (current revision)-Property Management and Inventory

*WorkForce Central is an equal opportunity employer/program.
Auxiliary aids and services are available upon request for individuals with disabilities. Washington
Relay Service – 711.*