

Department of Community Colleges and Workforce Development	Number: 589-10.12
	Revised Date: 08/14/08
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SUBJECT: Workforce Investment Act Title IB Equipment and Supplies	Approved: 

Purpose: To describe requirements for the management and inventory of equipment and supplies. PL 105-220 Sec.184(a)(2)(A) requires each state, Local Workforce Investment Area (LWIA), subrecipient, 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).

References: 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-122: Cost Principles for Non-Profits
One Stop Financial Management Technical Assistance Guide

Definitions: Depreciation: The portion of the cost of equipment 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 equipment.

Disposition: The status or change to the status of equipment or supplies. Disposition includes the sale, transfer or disposal of the item(s) in question.

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

Supplies: Generally, consumable or expendable, non-durable materials required for the performance of work.

Useful Life: The estimated useful life of the equipment in years.

Policy: Each LWIA and subrecipient is responsible for having a written policy addressing how they will ensure the management and inventory of all equipment obtained using WIA funds, including equipment purchased with Job Training Partnership Act (JTPA) funds and transferred to WIA.

Prior approval must be obtained from Community Colleges and Workforce Development (CCWD) for the purchase of equipment with a per unit acquisition cost of \$5,000 or more. Title to equipment rests upon acquisition with the subrecipient, subject to the provisions below.

Governmental subrecipients are subject to the requirements set forth in 29 CFR 97.32. State agencies will follow the requirements for acquisition, management, and disposition of equipment contained in Oregon Administrative Rules and the Oregon Accounting Manual.

Other Governmental subrecipients must adhere to the standards established in 29 CFR 97.32.

Non-governmental subrecipients must follow the requirements specified in 29 CFR 95.34.

At a minimum, subrecipients will retain equipment records that provide:

- an item description;
- the serial and model number or other identification number;
- the source of equipment, including grant or agreement number;
- whether title rests with grantee, state or federal government, or 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.

At least every two years, LWIAs and subrecipients must perform and document an inventory of all equipment purchased with WIA funds. Inventory results shall be reconciled with current records and all discrepancies shall be investigated. Investigation findings shall be documented in the records, and copies of all documents related to each such inventory shall be submitted to CCWD.

A copy of the inventory of equipment must be maintained on file and available for review. All grantees must:

- keep equipment in good condition;
- retain all records for three years after disposal of equipment; and
- tag all equipment purchased with WIA funds in a manner that will identify the equipment as WIA fund-based.

In addition, each grantee should follow reasonable safeguards for protecting their assets and obtain loss and destruction insurance for each piece of equipment.

For the purchase of equipment with a per unit cost of \$5,000 or more, prior written approval from CCWD must be obtained. Requests for approval must include all information pertinent to the item to be purchased including a description of the item, solicitation methodology, cost justification, cost-benefit analysis, etc.

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Prior written approval is also required for a change in the disposition of equipment with a fair market value of \$5,000 or more. The change of disposition request must include all information pertinent to the item to be disposed of such as: a description of the item, acquisition date, acquisition cost, current fair market value, serial number(s), present condition, etc.

In the event that there are unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored program or projects, the LWIA or subrecipient shall compensate the federal government for its share.

Certain costs are allowable only if approval is granted prior to incurring the cost. Examples of costs requiring prior approval include: fixed assets with a cost equal to \$5,000 or more; memberships in civic organizations; or rearrangements of facilities to accommodate remodeling. The WIA Regulations, 20 CFR 667.200(c) delegates the authority for granting prior approval to those selected items of cost to the governor or designee [CCWD is the designee]. When planning purchases, subrecipients should refer to the appropriate OMB circular to identify selected items of cost. If a specific item of cost requires prior approval, please submit your request and cost methodology in writing to:

Local Area Liaison
 Department of Community Colleges and Workforce Development
 255 Capitol St. NE, 3rd Floor
 Salem, OR 97310

Procedures:

Responsibility

Action

LWIA/
Subrecipient

1. Establishes equipment and supplies management standards in compliance with this policy appropriate to ensure the identification and location of all equipment and supplies.
2. Obtains required written approvals for acquisition of equipment, as applicable.
3. Obtains loss and destruction insurance that is at least at the fair market value on all WIA equipment to safeguard and protect the asset(s).
4. Performs, reconciles and documents an inventory of all WIA-funded equipment at least every two years.
5. Requests disposition instructions from CCWD for equipment with a current fair market value per unit over \$5,000 prior to disposition. Disposition data should include date of disposal and the sale price.
6. Makes available to CCWD a listing of all equipment with an acquisition value of \$5,000 per unit or more as part of the annual monitoring process.

CCWD

1. Provides a copy of the inventory of all equipment for grant closeouts.
2. Processes written approvals of subrecipient purchase requests.
3. Processes subrecipient disposition requests.
4. Reconciles subrecipient inventories, including acquisitions and dispositions, against current records during the course of the annual monitoring process.
5. Monitors subrecipient for compliance with this policy as part of the annual monitoring process.