
**Workforce Investment Act
State Compliance Policies**

Section: 3.11

Property Management

March 2005

I. The state and its grantees must adhere to the requirements outlined in 29 CFR Part 97 (97.31- Real Property, 97.32-Equipment, 97.33-Supplies and 97.34-Copyrights) and 29 CFR 95.30-37 for Nonprofit Organizations, TEGL 31-04 in addition to requirements of the Nevada Revised Statutes (NRS) and State Administrative Manual as indicated below.

II. Definitions:

A. **Expendable personal property** means all tangible personal property other than nonexpendable personal property.

B. **Fair market value** means:

1. For currently used vehicles, the Kelly Blue Book price, adjusted for vehicle condition;
2. For older vehicles, a quote from a dealer with the name of the dealership and price quoted submitted in writing;
3. For heavy equipment, the Green book price or an oral dealership quote which will then be submitted in writing;
4. For real property, a written appraisal by a licensed appraiser;
5. For all other property, oral quotations by dealers, or documented online valuations which will then be submitted in writing.

C. **Intangible Personal Property** is an item of value that is not physical, such as patents, trademarks, copyrights that are produced or acquired, in whole or part, through the use of WIA funds.

D. **Nonexpendable personal property** is tangible personal property having a useful life of more than two (2) years and an acquisition cost of \$5,000.00 or more. The Local Workforce Investment Board (LWIB) may use its own definition provided that such definition includes all tangible unexpendable personal property covered by the above definition.

E. **Personal property** is property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence. Tangible property may be expendable or nonexpendable.

III. Roles and Responsibilities:

STATE:	LOCAL WORKFORCE INVESTMENT BOARD:
A. ACQUISITION	
Advise the State in all matters pertaining to property management procedures.	LWIB must have written procurement procedures. [97.32(d)]
Coordinate with the Department of Labor and notify Secretary of Labor immediately upon acquisition of real property with WIA funds, including acquisition by subrecipients. Such notification must include the location of the real property and the federal share percentage.	
Review and approve property provisions, policies and procedures of all State contracts prior to approval.	Ensure that real and personal property including intangible property which was transferred from JTPA, or acquired/procured under WIA by non-governmental subrecipients are in accordance with OMB Circular A-110 as codified by administrative regulations of the Department of Labor under 29 CFR Part 95 and Part 97.
Review and approve all requests for real or non-expendable personal property when the request was not included in the approved Plan or modification.	<p>Obtain prior approval of State:</p> <p>Before purchasing real or nonexpendable personal property with a unit acquisition cost of \$5,000 or more (State requirement). Prior approval will be deemed to be granted when specific items to be purchased are included in an approved Plan/Scope of Work or modification, or amendment thereto.</p> <p>Before entering into a lease/purchase agreement costing \$5,000 or more (State requirement).</p>
	Obtain written approval when remodeling or making alterations to rented or leased property. Requests for prior approval must include a description of the item, estimated unit cost and a justification for purchase. The request may be made in the Plan or by letter to the State. (667.260)

STATE:	LOCAL WORKFORCE INVESTMENT BOARD:
<p>B. INVENTORY CONTROL <i>[97.32(d)(1-5)]</i></p>	
<p>Maintain an inventory of all real or nonexpendable personal property, which was purchased with WIA funds or purchased under CETA or JTPA and was transferred to WIA on July 1, 2000. (State Administrative Manual 1588.0)</p>	<p>Grantees must take a physical inventory of nonexpendable personal property at least once every year. Grantees must investigate any difference between property control and accounting records and physical inspection; determine cause of the difference, documenting results as appropriate.</p>
<p>Perform on-site property reviews to determine that property is appropriately tagged and that state and local property management procedures are established and adhered to.</p>	
<p>Ensure that the state has a control system to provide reasonable care and to prevent loss, damage, and theft of property. Loss, damage, or theft of nonexpendable property must be investigated and fully documented in state files.</p>	<p>Maintain a property maintenance program to keep the property in good condition.</p> <p>When there are several components of a system, the unit acquisition cost is the cost of the total system which is the sum of the components; when the unit acquisition cost is over \$5,000.00 and has a useful life of more than two (2) years (State Administrative Manual 1588.0), all components of that system must be included in the inventory and be identified with a state decal. [NRS 333.220-1(d)]</p>
<p>Ensure that a property inventory is taken once a year and that property records are reconciled.</p>	<p>Conduct periodic inventories of property at least annually to verify the existence, current utilization, and continued need for property and reconcile inventory to property records.</p> <p>The LWIBs must provide an annual property listing to the state.</p> <p>Inventory adjustments, including additions and/or deletions, must be submitted to the state not less than quarterly.</p>
	<p>Property records of all nonexpendable personal property must include [NRS 333.220-1(b)]:</p>

STATE:	LOCAL WORKFORCE INVESTMENT BOARD:
	<ol style="list-style-type: none"> (1) A description of the property; (2) Manufacturer's serial number, model number, stock number, or other ID numbers; (3) Funding source of property, including grant or other agreement number; (4) Date acquired or received; (5) Unit acquisition cost or total cost of lease/purchase agreement; (6) Location, use, and condition of property and date this information was verified; (7) Percent of acquisition cost represented by WIA funds; (8) Ultimate disposition data, including date of disposition and selling price or method used to determine current fair market value where a grantee compensates state for its share.
C. DISPOSITION	
<p>Instruct/approve requests for the state on proper disposition of all property.</p> <p>Request property disposition from Department of Labor (95.32, 95.34)</p>	<p>When property is no longer needed for WIA activities, obtain approval for all dispositions of property with a unit acquisition cost of \$5,000.00 or more, including CETA, JTPA and WIA funded property. [97.32(e)(1-3), 97.31(2)]</p>
	<p>Title to unneeded nonexpendable personal property acquired with WIA funds with a unit acquisition cost up to \$5,000 rests with LWIB or the state, who may sell the property and retain the proceeds for use in WIA programs as required by 97.32(e), 97.31, and OMB Circular A-110 or divided in accordance with terms of interlocal agreements.</p> <p>The state and other grantees may retain property for other uses, with state approval, provided that compensation (% of WIA participation) at current fair market value is made to state. [97.31(2), 97.32(e)(1-2)]</p>
	<p>If the grantee has no need for property and the property has further use value, the grantee will report item(s) to</p>

STATE:	LOCAL WORKFORCE INVESTMENT BOARD:
	<p>the state on the Report of Excess Property form (Form 6.7). The state may instruct the grantee to sell property and compensate the state its percentage (% of WIA percentage) of sales less actual documented cost of sale. Adjusted amount to be remitted to the state within forty-five (45) days of sale. [97.31(2), 97.32(e)(1-2)]</p>
	<p>If the property is deemed worthless, documentation must be provided to establish this fact. The value may be established by an appraiser. Property may not be donated to another agency unless it is worthless. Any written documentation must be maintained in accordance with record retention requirements (see WIA State Compliance Policy 5.4). [97.31(2), 97.32(e)(1-2)]</p>