



Subject: Property Management & Inventory Policy

Policy No: 2015-58

Effective Date: June 2003

Revised: August 2011, June 2017, April 2019

1. Purpose:

To communicate requirements for the acquisition, management, and inventory of property, other than real property.

2. Background:

The Benton-Franklin Workforce Development Council (BFWDC) and its subrecipients of the Workforce Innovation and Opportunity Act (WIOA) funds must adhere to property management standards established in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Subpart D-Post Federal Award Requirements, Property Standards (2CFR 200)

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.

Equipment Management and Inventory

- A. All WIOA property purchased shall be inventoried and tagged that has a purchase or depreciated value of \$5,000 or more.

Small, attractive items with a unit acquisition cost of \$300 or more, with a useful life of more than one year will also be tagged and recorded in the inventory database. Examples include, but are not limited to:

- Laptops and Notebook Computers
- Tablets and Smart Phones
- Other portable communication devices

The following assets with unit costs of \$1,000 or more will also be tagged and recorded in the inventory database including, but not limited to:

- Optical Devices, Binoculars, Telescopes, Infrared Viewers and Rangefinders
- Cameras and Photographic Projection Equipment
- Desktop Computers (PCs)
- Television Set, DVD Players, Blu-ray Players, and Video Cameras (home type)

- B. A physical inventory of equipment shall be taken annually with items surplus or disposed of listed with an explanation for removing the items from inventory. The inventory of property will be maintained on file and available for review and must include:

- An item description;
- The serial and model number or other identification number;
- Source of the property, including grant or agreement number;
- Whether title rests with that 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;
- Inventory number assigned; and
- Date of disposal.

If a significant number of items are found but not listed on the inventory printout or are not physically found by the Property Manager, the Executive Director will be notified, and the appropriate steps taken to investigate the issue and/or to implement changes to the inventory process.

- C. When suspected or known losses of inventory assets occur, a search will be conducted for the missing property. If the missing property is not located;
- Damaged, missing or stolen property must be reported to the CEO within 24 hours of the finding.
 - Individuals deemed to be primarily responsible for the asset, as well as that individual's supervisor, complete and sign a property disposal request. The request will provide a description of events surrounding the disappearance of the property, who was notified of the loss, and steps taken to locate the property.
 - The lost or stolen property will be removed from the agency's inventory and accounting records where applicable.
 - Records for losses of inventory assets will be maintained in accordance with

approved agency records retention schedules.

- When applicable, a theft report will be filed with the Police Department. File report in purchases binder with original purchase paperwork and the property disposal paperwork.

D. Whenever inventory becomes available for surplus or disposal, an “Inventory Disposal” form will be completed, and the following process followed:

- Equipment that has a remaining use but is no longer needed by the BFWDC will be listed as surplus equipment and sent to all Washington WDA’s with a date to respond by. At the request of notified WDA’s, surplus equipment will be transferred to their site.
- Items not transferred to other WDA’s are either given to other entities or outdated/unusable equipment is disposed of.
- Equipment that is no longer useful to the BFWDC or any other organization will be disposed of as solid waste.
- ESD will be contacted for disposal process for Equipment with a current per-unit fair market value price of more than \$5,000.
- Inventory records are retained for a minimum of three years after the disposal of the property.

E. Any property/equipment purchased with WIOA funds by contractors will need prior written approval from the BFWDC before purchasing. The BFWDC will tag and track all property/equipment purchased with WIOA funds and ownership remains with the BFWDC as an agent for the State and Federal government. A final listing of all equipment is submitted at the conclusion of each contract as part of the required closeout documentation. The Property Manager will then coordinate return and/or dispose of the property.

F. Depreciation

The BFWDC uses the OFM State Administrative and Accounting Manual (SAAM) Section 30.20.70.b to calculate for depreciation using the straight-line method.

- To calculate depreciation using the straight-line method:

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

G. Off-Site Usage of Equipment

Short-term Usage – A log is kept by the Property Manager requiring the signing out and back in of equipment that is used off-site for a short time period.

H. Useful Life for Capital Assets

The BFWDC and its subrecipients will use the useful life shown in Schedule A, Capital Asset Commodity Class Code List and Useful Life Schedule (Section 30.50.10a) for capital assets acquired in new condition. For energy efficiency equipment and products, will refer to the Addendum to Schedule A (Section 30.50.10.b). 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 based on the following criteria:

- The useful life for leasehold improvements is the estimated service life of the leasehold improvements, or the remaining term of the lease, whichever is shortest.
- The useful life for intangible assets acquired by contract generally should not exceed the period of the contract.

For depreciation purposes, the useful life of assets should be reviewed to ensure it has remained the same, and that no modifications have extended or altered the life of the asset. Impairment of assets or changes in contractual provisions may impact the useful life and remaining depreciation.

I. Definitions

Capitalized Fixed Assets – Include 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 attributes 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 Section 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.

Inventorial 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 Section 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.

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