



ETLWDA  
WORKFORCE INNOVATION AND  
OPPORTUNITY ACT  
**POLICY MANUAL**

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APPROVED:

**SUBJECT: PROPERTY MANAGEMENT POLICY**

**POLICY STATEMENT:** ETLWDA shall implement and follow a property management policy in accordance with Federal and State statutes.

**Introduction:** WIOA Section 184(a)(3) requires the Governor of each State, each local area (including the chief elected official for the area) and each provider receiving funds under WIOA to comply with the appropriate uniform administrative requirements for grants and agreements for entities receiving the funds. The OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Final Rules Title 2 of the Code of Federal Regulations, 2 CFR 200 supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, A-122, which have now been placed in 2 CFR (200, 225, 215, and 230). OMB Circulars A-87, A-110, A-122, A-133 and their requirements are still in effect for funding distributed prior to December 2014. Funding awarded after December 26, 2014, must be in compliance with 2 CFR 200.

**Purpose:** This policy communicates methods used by Tennessee Department of Labor and Workforce Development (TDLWD) for the procurement of goods and services obtained with Workforce Innovation and Opportunity Act (WIOA) funds. This policy also sets forth the requirement provided by: The Office of Management and Budget (OMB), Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards; Final Rule Title 2 of the Code of Federal Regulations, 2 CFR 200.

**Process:**

**Instruction:**

1. Grantees and Sub-grantees must use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.
2. Grantees and sub-grantees must maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
3. Grantees and sub-grantees must maintain a written code of standards of conduct governing the performance of their employees engaged in the selection, awarding of, and administration of contracts. No employee, officer or agent of the grantee or sub-grantee shall participate in any way (including discussion, review and/or voting) in the selection, or the awarding of, or administration of a contract supported by Federal or State funds if a conflict of interest, real or apparent, would be involved. (See LWDB Bylaws 6<sup>th</sup> Edition and LWDB Employee Handbook) **Such conflicts arise when:**
  - a) The employee, officer, or agent,
  - b) Any member of his immediate family
  - c) His or her partner, or
  - d) An organization which employs, or is about to employ any of the above, has a financial or other interest in the firm selected for the award. The grantee's or sub-grantee's officers, employees, or agents will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub-agreements.

Written prior approval must be obtained from TDLWD for acquisition of sensitive items and nonexpendable property with a unit acquisition cost of \$5,000 or more. In addition, any agreements or activities related to costs associated with real property must receive sanction to pay back the money to TDLWD using unrestricted funds.

LWDB and sub-recipients maintain the inventory system at a minimum quarterly scheduled basis, with scheduled reviews and updates being well documented. The system must include property purchased with WIOA funds transferred from WIOA, JTPA, or CETA. When original or replacement equipment (acquired under a grant or sub-grant) is no longer needed for the original project or program or for other activities supported by a Federal agency, the equipment will be returned to the State.

**Definitions:**

**Equipment** - Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Uniform Guidance specifies that equipment include information technology systems, computing devices, software and services (including support services). This includes fees for licensing or subscriptions to software support services. This even includes monthly subscription fees under \$5,000 dollars if the total annual cost for the subscription exceeds \$5,000 dollars; for such subscriptions, prior approval must be obtained.

**General Purpose Equipment** - Equipment which is not limited to research, medical, scientific, or other technical activities. Examples include: office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air-conditioning equipment, reproduction and printing equipment, and motor vehicles (Uniform Guidance Section 200.48).

**Information Technology Systems** - This encompasses computing devices, ancillary equipment, software, firmware, similar procedures, services (including support services), licensing or subscriptions to software and software support services, and related services.

**Types of property for which accountability must be maintained:**

Tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Examples include furniture, machinery, office, operational and educational equipment, etc.

Sensitive equipment having a unit cost of \$100 to \$5,000. Examples include typewriters, tape recorders, printers, computer, and cameras. Personal computers will be tagged as a unit consisting of monitor, keyboard, external tape cartridge and the computer itself. The printer will be tagged separately.

LWDB procurement of sensitive equipment or procurements having a unit acquisition of \$5,000 or more must have prior written approval from TDLWD.

**Equipment Property Management Procedures**

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, information as to who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property. These records must also include the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

1. When property with a current per-unit value in excess of \$5,000 has been stolen or destroyed by fire (or another disaster), is considered obsolete, or is to be traded for new equipment the LWDB shall notify the State office of the particular event and request approval to remove the property from the Record Inventory.
2. If any property is stolen a copy of a Police Report must accompany the Report of the Survey. If the stolen property has a current per-unit value of \$5,000 or more the Federal Bureau of Investigation must be notified, and a copy of the report must accompany the Report of the Survey.
3. If the property is destroyed by fire a copy of a Fire Marshall's Report must accompany the Report of the Survey. When the LWDB determines that the property is non-serviceable due to obsolescence, the LWDB must request the destruction of the equipment through Asset Works (the State system) at which time the State procurement office re-evaluates the condition of the equipment. TDLWD will review the request and approve it with instructions to forward it to the LWDB before the State Procurement Office re-evaluates the condition of the equipment. All property records must be maintained for three years after final disposition of the property. (For additional information regarding disposition of property please see Provision 4 Section D of the Supplementary Financial Guide.)
4. The sub-grantee or the contractor must tag all property with the appropriate tag and the contractor's records must indicate the program under which the property was acquired. Upon

request, tags will be provided by the TDLWD to the contractor. After tagging the equipment to the contractor should add the new items to its inventory listing. The contractor inventory records must contain the following information:

- a) Tag number
- b) Program funding the acquisition
- c) Percentage federally funded (if not 100%)
- d) Date of purchase or acquisition
- e) Condition of the property (Cost or Fair Market Value)
- f) Location
- g) Serial number or other identifying number should be added to other pieces of equipment acquired.

New acquisitions must be reported to TDLWD on the Property Record form. All new property should be clearly marked. New property listings must be submitted to TDLWD as soon as possible after tagging the property.

### **Purchase Considerations**

Although Uniform Guidance and DOL Exceptions do not address every possible cost, they serve as the foundation for all grant financial management; for this reason, sub-recipients should rely on this guidance to avoid audit findings and potential liability. To ensure that funds are being spent in a fiscally prudent and efficient manner, sub-recipients need to consider the following questions prior to requesting approval to direct-charge WIOA funds for the purchase of property to the LWDB:

- Is this purchase reasonable?
- Why is the purchase needed?
- Have the best products been selected?
- What procurement method was used?
- Was a lease option considered in lieu of the purchase?
- Does the State already provide the item, service, or software being considered for rent, purchase, or subscription?
- Can the purchaser show that the purchase and item is allowable under the applicable federal award?

### **Special Considerations:**

Leasing of property, construction of property, rental costs, maintenance and repairs, or alterations of facilities by any subcontractor or sub-recipient using Title I funds will require approval in advance by the LWDB and will follow Uniform Guidance rules and requirements.

### **Debarred and Suspended Parties:**

In accordance with WIOA regulations at Final Regulation 20 Section 683.200, the LWDB will not make any award or permit (sub-grants or contracts) to any party debarred, otherwise suspended, or otherwise excluded from eligible for participation in Federal assistance programs in accordance with Department of Labor Regulation at 29 CFR Part 98. Recipients and sub-recipients shall comply with the applicable requirements of the DOL Regulations at 29 CFR parts 98.

### **State of Tennessee General Services Real Property and Equipment Standards:**

In addition to adhering to the federal standards set forth in this policy, grant recipients and sub-recipients should also adhere to all property requirements set forth by the State of Tennessee General Services requirements. In the event a conflict arises between State of Tennessee General Service requirements and Federal regulations, please note that Federal regulations will take supremacy over State requirements if the property is utilized to carry out activities associated with a Federal award or purchased with monies from a Federal award.