

TULARE COUNTY WORKFORCE INVESTMENT BOARD, INC.	DATE: September 16, 2015
WORKFORCE INVESTMENT ACT TITLE I ACTIVITIES	Property Directive

APPROVED BY
WORKFORCE INVESTMENT BOARD
MINUTES OF 09-16-15

TUL 15-03

TO: Service Providers, Workforce Investment Department Staff

**SUBJECT: PROCUREMENT - PROPERTY-PRIOR APPROVAL,
PURCHASING, INVENTORY AND DISPOSAL**

EXECUTIVE SUMMARY

Purpose:

This directive provides guidelines for obtaining the state's approval prior to charging Workforce Investment Act (WIA) grant funds for the following:

- The purchase of property with a per unit acquisition cost of \$5,000 or more.
- The purchase, rent, licensing, maintenance fee, or subscription of information-technology applications/software/services with a per-unit single or cumulative cost totaling \$5,000 or more within a twelve-month period.

In addition, guidelines related to the inventory and disposal of property for governmental and nonprofit agencies are also described in this directive.

Scope:

The requirements in this directive apply to all subrecipients and their lower-tier subrecipients who plan to purchase property with a per-unit single cost totaling \$5,000 or more, or to purchase, rent, license, maintain, or subscribe to information-technology applications/software/services with a per unit single or cumulative cost totaling \$5,000 or more within a twelve-month period, and charge any of the cost to the WIA grant funds. Also included in these requirements are guidelines for subrecipients and lower-tier subrecipients that want to dispose of property originally charged to a federal grant.

Effective Date:

This directive is effective upon release.

Intellectual Property - recognized protectable rights and interest such as: patents, copyrights, trademarks, service marks, etc. (Also referred to as intangible property.)

License Fee - payment for authorization allowing use of property, equipment or proprietary software.

Property - durable goods, equipment, buildings, installations, and land.

Software – programs, procedures, data, and routines used, accessed, and/or stored by computers.

Subrecipient - refers to all Local Workforce Investment Areas (LWIA) and other subrecipients of WIA federal funds.

Subscription – refers to the regular remittance of pay for the licensed use of services, application/software, equipment, or property with a cost of \$5,000 or more per unit or cumulative cost within a twelve-month period.

PURCHASE CONSIDERATIONS:

In order to satisfy federal and State procurement requirements, you must consider the following prior to requesting approval to direct charge WIA funds for the purchase of property or licensing/subscription cost of \$5,000 or more per unit, or cumulative cost for a twelve-month period. (These considerations are also on the approval form attached to this directive.)

- Is this purchase necessary and reasonable?
- Why is the purchase needed?
- Have the best products been selected?
- What procurement method will be used?
- Was a lease option considered in lieu of the purchase?
- What other costs are associated with the purchase?
- Is there a cost sharing agreement if multiple partners will share the cost of the purchase?
See "Cost Sharing Information" section if costs are being shared.
- Does the state already provide the item, service, or software being considered for rent, purchase, or subscription?

PROCEDURES - Prior Approval Process:

To direct charge the WIA funds account for any property purchase with a per unit single cost totaling \$5,000 or more, or the purchase, rent licensing, maintenance fee, or subscription of information-technology application/software/services with a per-unit or cumulative cost for a twelve-month period the following steps must occur:

1. Subrecipients must complete a "Request for Approval to Charge WIA Funds for the Cost of Property" form (attached to this directive).
2. Documentation describing item(s) to be purchased, rented, or subscribed to as well as an explanation of functionality, submitted with the request.
3. If purchasing or subscribing to software, submit documentation clarifying how the new software will deliver functionality not provided by state or local partners.
4. The completed form must be submitted to their designated Regional Advisor (RA) or Program Manager (PM).

of 1990.

- To fund repairs, renovations, alterations and capital improvements of property including:
 - State Employment Security Agency real property, identified at WIA Section 193, using a formula that assesses costs proportionate to space utilized.
 - Job Training Partnership Act owned property, which is, transferred to WIA Title I programs. Job Corps facilities, as authorized by WIA Section 160(3)(B).
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- To fund disaster relief employment on projects for demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within a disaster area.

INVENTORY RECORDS:

Subrecipients must maintain accurate inventory records of all equipment purchased with federal funds. All equipment should have a unique identification mark to be used for inventory purposes. A physical property inventory must be taken and reconciled with the property records at least once every two years. The equipment records shall include the following information:

- A description of the equipment.
- Manufacturer's serial number, model number, Federal Stock number, national stock number, or other identification number.
- Source of the equipment, including the award number.
- Whether title vests in the recipient or the federal government.
- Acquisition date (or date received, if the equipment was furnished by the federal government).

Acquisition:

- Records showing maintenance procedures to keep the equipment in good operating order.
 - Location and condition of the equipment and the date the information was reported.
- -

should be given to programs funded by the DOL Employment Training Administration.

- If the equipment is no longer needed by the program/project or used in connection with other federally sponsored activities, the recipient may retain the equipment for other uses. If the equipment is/is not retained then compensation must be made for the WIA federal funds used in the purchase. The amount of compensation shall be computed by applying the percentage of WIA federal funds used in the purchase. If only WIA federal funds were used for the purchase then the percentage would be 100 percent. If both WIA federal and local funds were used in the purchase then use the WIA federal funds percentage for the calculation. This percentage is applied to the fair market value or proceeds of the sale for the equipment. Recipients of sub-grants are permitted to deduct actual reasonable selling and handling expenses (\$500 or 10 percent of the proceeds of the sale, whichever is less) from the proceeds of the sale. The balance of WIA federal funds must be sent within 30 days to the address provided below. The name of the entity, sub-grant number, year of appropriation and funding stream must be provided when submitting the funds. These returned funds will be sent to the federal government once the state receives the funds.

Funds received from the sale of equipment should be sent to the following address:

Fiscal Programs Division, MIC 70 Employment
Development Department
P.O. Box 826217
Sacramento, CA 94230-6217

- If the recipient has no further use of the equipment and wishes to dispose of the equipment (other than selling the equipment), they must request disposition instructions from the State.

For property with a fair market value of less than \$5,000 subrecipients may retain, sell or dispose of the property and nothing needs to be reported to the State. A disposition record must be kept for any transaction in accordance with WIA record retention requirements.

CALCULATION OF "FAIR MARKET" VALUE

The selling price of an item that is sold through auction, advertisement, or a dealer is the fair market value of the item regardless of any prior estimates. An item that is not sold but retained by the entity has a fair market value based on similar items that are offered for sale, using the selling price if known. Methods for determining fair market value include, but are not limited to:

- Auctions
- Classified advertisements for similar used items
- Dealers Licensed appraisers

For automobiles, trucks, and vans, the standard authority on the value of used vehicles is the Kelley Blue Book.

Message Id: 55FB592D.AB8 : 160 : 17596
Subject: Directive's 'TUL 15-03' and TUL 15-04 are accessible online
Created By: LGonzalez@tularewib.org
Scheduled Date:
Creation Date: 9/17/2015 5:22 PM
From: Laura Gonzalez

Recipients:

Recipient	Action	Date & Time	Comment
 cset.org	Transferred	9/17/2015 5:22 PM	
To: Carla Calhoun (carla.calhoun@cset.org)			
To: Craig Plath (craig.plath@cset.org)			
To: Linda Mendez (linda.mendez@cset.org)			
 employmentconnect.org	Transferred	9/17/2015 5:22 PM	
To: jhopper@employmentconnect.org (jhopper@employmentconnect.org)			
To: Jmcclintick@employmentconnect.org (Jmcclintick@employmentconnect.org)			
 EXTPO.External	Transferred	9/17/2015 5:22 PM	
To: Mary Escarsega-Fechner (mary.escarsega-fechner@cset.org)			
 EXTPO.External	Transferred	9/17/2015 5:22 PM	
To: Nathan Ross (nathan@proteusinc.org)			
To: Sylvia Ortega (sylvia@proteusinc.org)			
 EXTPO.External	Transferred	9/17/2015 5:22 PM	
To: Martha Alexandros (alexandros@see.tcoe.org)			
 Main.TCPIC	Delivered	9/17/2015 5:22 PM	
To: Adam Peck (APeck@tularewib.org)	Read	9/17/2015 9:27 PM	
To: Carlene Estes (cestes@tularewib.org)	Third-Party Downloaded	9/17/2015 5:22 PM	
To: David McMunn (DMcMunn@tularewib.org)	Read	9/18/2015 8:15 AM	
To: Debbie Bach (DBach@tularewib.org)	Read	9/18/2015 7:49 AM	
To: Desiree Landeros (DLanderos@tularewib.org)	Deleted	9/18/2015 7:49 AM	
To: Eldonna Caudill (ECaudill@tularewib.org)	Third-Party Downloaded	9/17/2015 5:22 PM	
To: Elizabeth Dodd (RDodd@tularewib.org)	Read	9/17/2015 5:23 PM	
To: Jennie Bautista (JBautista@tularewib.org)	Read	9/18/2015 8:57 AM	
To: Laura Castanon (LCastanon@tularewib.org)	Deleted	9/18/2015 8:57 AM	
To: Leonor Alcazar (LAlcazar@tularewib.org)	Read		
To: Mary Rodarte (MRodarte@tularewib.org)	Third-Party Downloaded	9/17/2015 5:22 PM	
To: Marybeth Hash (MHash@tularewib.org)	Read	9/17/2015 5:22 PM	
To: Nicholas Galicia (NGalicia@tularewib.org)	Third-Party Downloaded	9/17/2015 5:22 PM	
To: Rosa Leija (RLeija@tularewib.org)	Read	9/17/2015 5:22 PM	
To: Sandi Miller (SMiller@tularewib.org)	Third-Party Downloaded	9/17/2015 5:22 PM	
To: Tiffany Ward (TRWard@tularewib.org)	Read	9/17/2015 5:24 PM	
To: Vyvian Timm (Vtimmm@tularewib.org)			

Post Offices

Post Office	Delivered	Route
cset.org		cset.org
employmentconnect.org		employmentconnect.org
EXTPO.External		cset.org
EXTPO.External		proteusinc.org
O.External		see.tcoe.org
Main.TCPIC	9/17/2015 5:22 PM	tularewib.org

Files

File	Size	Date & Time
MESSAGE	4521	9/17/2015 5:22 PM

Options

Auto Delete:	No
Concealed Subject:	No
Expiration Date:	None
Notify Recipients:	Yes
Priority:	Standard
Reply requested by	None
Security:	Standard
To Be Delivered:	Immediate

Record Id

Record Id:	55FAF6BD.TCPIC.Main.100.1646439.1.16436.1
Common Record Id:	55FAF6BD.TCPIC.Main.200.20000A0.1.11F51.1
