

Effective Date: May 19, 2021

Region VI WDB Equipment Management Policy

*Definition per 2 CFR *§200.1 Equipment* **Equipment** means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. See also *Capital assets, Computing devices, General purpose equipment, Information technology systems, Special purpose equipment, and Supplies*.

All equipment purchased with WIOA funds, including equipment purchased with JTPA or WIA funds, shall be managed in the following manner:

1. A copy of the paid invoice along with an updated equipment inventory list with serial numbers of all equipment purchased will be kept on file at the Region VI WDB office.

Per 2 CFR 200.313 d (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

2. All equipment purchased under this procedure shall be tagged with the following information:
 - a. Region VI WDB (as title holder)
 - b. Inventory Item No.
 - c. Date of acquisition
 - d. Agreement/Contract No.
3. Per 2 CFR 200.313 d (1) Equipment will be managed by tracking records which will include:
 - a. Description of the property
 - b. Inventory Item No.
 - c. Funding Source
 - d. Title holder name
 - e. Acquisition Date and Cost
 - f. Percentage of Federal Participation in the project costs for the award under which the property was acquired
 - g. Location of property
 - h. Condition of property
 - i. Disposition of property
4. Per 2 CFR §200.310 Insurance coverage: The non-Federal entity must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the non-Federal entity. Federally-owned property need not be insured unless required by the terms and conditions of the Federal award.

5. Per 2 CFR 200.313 d (4) - Adequate maintenance procedures (i.e.- as outlined in literature such as owner's manuals, directions for use and maintenance, etc.) must be followed in order to keep the property in good condition during its use.
6. In the event that equipment is lost due to theft or damage beyond repair, due to fire, accidental damage, flood, vandalism, etc., the Region VI WDB or Subrecipient shall notify the appropriate authorities (police and insurance adjustor), who will issue a report of loss or damage which will be noted in the disposition information for that equipment in the tracking record.
7. If it is necessary to replace the equipment due to the reasons stated above, the Region VI WDB or Subrecipient will apply for the additional cost of replacement or actual replacement of the equipment through their insurance and shall be responsible for payment of any deductible required under the insurance policy.
8. If it is deemed unnecessary to replace the equipment (due to the end of the agreement coming soon enough that replacing the equipment would not be feasible in the amount of time left, or equipment is donated to replace the lost or damaged equipment, or some other valid reason), then that decision should be noted on the disposition record of that equipment.
9. If it is deemed necessary to replace equipment during the life of an agreement, and replacement is due to a need to replace outdated and or worn-out equipment, then the Subrecipient may utilize budgeted contract funds, or may apply to the WDB for permission to do a budget modification so that awarded fund may be adjusted to allow for the purchase of replacement equipment.
10. Replacement equipment will be treated as a new purchase in regard to adding it to the equipment tracking records and tagging it for identification.
11. Region VI WDB will not utilize non-contract funds for the purchase of equipment lost due to theft and or damage due to negligence.
12. Upon termination of a contract with a Subrecipient, the Region VI WDB will own equipment as listed on the inventory attached to the contract. A determination of the disposition of the equipment will be made by the Region VI WDB within 30 days of receipt of the closeout package for any contract. If the WDB decides to give ownership of some or all of the equipment to the Subrecipient, a letter so stating will be sent to the Subrecipient along with a copy of the inventory clearly marking some or all of the equipment to be given to the Subrecipient.

Per 2 CFR 200.313 e: *Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:*

(1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

(2) Except as provided in §200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

(3) The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.

(4) In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.

13. If the Region VI WDB, Inc. decides to keep ownership of some or all of the equipment, the Subrecipient will have 10 days to ready the equipment for pick-up by the Region VI WDB.

Real property.

The Region VI WDB will follow the regulations as outlined **Per 2 CFR §200.311**

(a) *Title.* Subject to the obligations and conditions set forth in this section, title to real property acquired or improved under a Federal award will vest upon acquisition in the non-Federal entity.

(b) *Use.* Except as otherwise provided by Federal statutes or by the Federal awarding agency, real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the non-Federal entity must not dispose of or encumber its title or other interests.

(c) *Disposition.* When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity. The instructions must provide for one of the following alternatives:

(1) Retain title after compensating the Federal awarding agency. The amount paid to the Federal awarding agency will be computed by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where the non-Federal

entity is disposing of real property acquired or improved with a Federal award and acquiring replacement real property under the same Federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

(2) Sell the property and compensate the Federal awarding agency. The amount due to the Federal awarding agency will be calculated by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the Federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When the non-Federal entity is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return.

(3) Transfer title to the Federal awarding agency or to a third party designated/approved by the Federal awarding agency. The non-Federal entity is entitled to be paid an amount calculated by applying the non-Federal entity's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property.

Per 2 CFR §200.1 Supplies **Supplies** means all tangible personal property other than those described in the definition of **equipment**. A *computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life*. See also *Computing devices* and *Equipment*.

Supplies will not be considered as part of the equipment inventory of the Region VI WDB.