

**MAY 2, 2022**

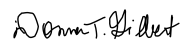
**TO:** All Western Piedmont Workforce Development Area **Service Providers**

**SUBJECT:** Non-Expendable Property Policy

**EFFECTIVE DATE:** Immediately

**EXPIRATION DATE:** Indefinite

**CONTACT:** Workforce Development Financial Manager



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Donna Gilbert  
Interim Workforce Development Director

## NON-EXPENDABLE PROPERTY POLICY

**PURPOSE:** To transmit Workforce Innovation and Opportunity Act (WIOA) Non-Expendable Property Policy. *To rescind Western Piedmont Workforce Development Area (WPWDA) Non-Expendable Property Policy dated July 9, 2021.*

**BACKGROUND:** The property policies contained in this policy apply to non-expendable property, which the WPWDA generally defines as property with a unit cost of **\$500** or more or a useful life expectancy of more than one year. The determination of whether an item should be considered non-expendable property will be made by the WPWDA on a case by case basis.

**PROCEDURE:** WIOA **service providers** in the WPWDA are required to adhere to this policy for the Acquisition, Utilization, Maintenance, Disposition, Inventory, Missing Stolen or Maliciously Damaged, and Lease of all WIOA non-expendable property.

This policy provides detailed guidelines on the general property provisions contained in the applicable sections of the Contract document. Property with an acquisition cost of less than \$500 will be maintained until notified by the WPWDA.

Capital Investments for non-expendable property should be used only after all other avenues are explored. When it becomes necessary to acquire a property item with a unit cost of \$500 or more, the WPWDA encourages providers to seek alternate methods of acquisition rather than direct purchase. Some of the methods to explore are:

- (1) Lease
- (2) Use of non-WIOA funds for purchase, with reimbursement to the non-WIOA funds, through user fees charged by the acceptable accounting methods to WIOA.

### A. ACQUISITION

#### Acquisition by Purchase

Non-expendable property must be approved by the WPWDA prior to purchase. Western Piedmont Job Training Consortium (WPJTC) Non-Expendable Property Purchase/Lease Request (Attachment A) must be submitted to the Workforce Development Financial Manager (herein referred to as Financial Manager) for review. The following must be submitted for all non-expendable property purchase requests:

1. The **service provider** shall seek reasonable prices by obtaining three (3) printed price quotes from three (3) different vendors and attach to the WPJTC Non-Expendable Property Purchase/Lease Request (Attachment A) and submit to the Financial Manager to obtain approval prior to purchasing/leasing.

2. WPJTC Non-Expendable Property Purchase/Lease Request Form (Attachment A) - The cost listed on this form must be the exact cost of the property items including installation, taxes, shipping and handling charges.
3. Written justification of need and evidence that there are no alternatives to the purchase
4. Percentage of WIOA participant use. (Items costing \$5,000 or more only.)
5. Method of reimbursement to WIOA for any non-WIOA use.
6. Assurance that local procurement procedures will be followed or when required, that competitive bids will determine the selection of one item over another. These records must be retained for monitoring purposes.
7. Location where property will be used.

Acceptance of the request does not constitute authorization to purchase the property listed on WPJTC Non-Expendable Property Purchase/Lease Request (Attachment A). A written notification of approval to purchase/lease will be forwarded to the **service provider** using WPTJC Non-Expendable Property Purchase/Lease Approval (Attachment B). Approval of requests to purchase non-expendable property with a unit cost of \$5,000 or more may take additional time because prior approval must also be received from the Workforce Development Board, NC Department of Commerce, Division of Workforce Solutions (DWS) and written certification given by a Financial Monitor that the Local Area is in compliance with applicable state and federal laws and regulations, and are necessary and reasonable. As a general rule, approval will not be granted for the purchase of motor vehicles.

When submitting requests to purchase computer property, the unit cost must reflect the sum total of the individual costs of the components (keyboard, monitor/display screen, etc.).

The same procedures used for the acquisition of property must be followed in the acquisition of computer software programs having unit costs of \$500 or more. Software purchased and installed on WIOA computer hard drives becomes WIOA property.

A copy of the paid invoice(s) must be submitted with the appropriate Monthly Expenditure Report to the Financial Manager. The invoice must note the unit cost of the property, the serial number if the item has been assigned one, as well as the physical location of the property (i.e. Name of building and room number), date of delivery, manufacturer's name and model number. The items reported on the Monthly Expenditure Report(s) must be in agreement with those as listed on the WPJTC Non-Expendable Property Purchase/Lease Approval (Attachment B).

A WPJTC Inventory label will be provided by the WPWDA and must be attached in a visible location on the property. Non-expendable

property with a unit cost of \$5,000 or more will be assigned a NC Department of Commerce, Division of Workforce Solutions inventory label in addition to the WPJTC inventory label. Non-expendable property with a unit cost of less than \$5,000 will be assigned the WPJTC inventory label at the time the purchase has been completed and all required information is received by the Financial Manager.

Care must be taken to ensure that non-expendable property expenditures are reported correctly and that items purchased or leased are those which meet the non-expendable property definition.

### **Acquisition by Transfer**

Property may be transferred between WIOA **service providers** by the WPWDA. At the time WPJTC Non-Expendable Property Purchase/Lease Request (Attachment A) is submitted requesting property to be purchased, a review will be made to determine if that property is available in another location in the WPWDA and is not currently being utilized in the operation of WIOA. The **service provider** will be notified of the availability and will be responsible for the physical relocation of the property to their office. Both **service providers** will be required to sign the WPJTC Transfer of Non-Expendable Property (Attachment C).

### **Acquisition by Trade-In**

This will be addressed on a case by case basis. **Service providers** wishing to trade outdated property must contact the Financial Manager for specific written instruction.

### **Acquisition by Donation**

Any non-expendable property item specifically donated in the support of WIOA becomes the property of WIOA and must be reported to the WPWDA. Disposition of donated property will follow the same guidelines as purchased property.

### **Leases**

Lease of property charged exclusively to WIOA funded programs must follow the same general guidelines as for property purchases. A copy of the proposed rental, lease, or lease option agreement must accompany WPJTC Non-Expendable Property Purchase/Lease Request (Attachment A), as well as a written justification for the lease. The agreement must list each item to be leased and the unit lease amount. All leases should include a clause that allows the **service provider** the right to terminate the lease in the event of termination of funding of WIOA. Any property acquired through a rental or lease agreement that contains an option to buy clause, shall become WIOA owned property if and when the option to buy is exercised. No lease agreement may be entered into for a period exceeding the period of

the current contract, unless a “conditional clause” based on the continued funding of WIOA is included. WPWDA approval of lease agreements will be conveyed by the WPJTC Non-Expendable Property Purchase/Lease Approval (Attachment B).

## **B. PROPERTY UTILIZATION**

All WIOA property must be utilized for the purpose of WIOA activities. Property purchased under the Workforce Investment Act (WIA) immediately became the WIOA property upon implementation of WIOA. Property previously purchased and used in a WIOA program, but no longer being used for such is subject to transfer to an office that can utilize it in a current WIOA program. The transfer/relocation of WIOA property is at the discretion of the WPWDA. Use of property other than WIOA funded activities could result in disallowed cost during audits.

## **C. PROPERTY MAINTENANCE**

The **service provider** shall be responsible for properly maintaining property assigned to that office. Records must be maintained of all service to mechanical or electrical property and made available for WPWDA and/or DWS review upon request.

If a machine is malfunctioning, the **service provider** should obtain a quote from a reliable service and repair facility to determine if it is economically feasible to repair the machine. This information must then be forwarded to the WPWDA so that a determination can be made to either repair or dispose of the property.

## **D. DISPOSITION OF PROPERTY**

When non-expendable property is determined to be excess to program operation or economically unrepairable, the **service provider** having custody must notify the WPWDA, and the WPWDA will provide written instructions for the disposition of the property. It will be the **service provider's** responsibility to provide storage and security for all non-expendable property pending actual disposition.

## **E. INVENTORY**

It is the responsibility of the **service provider** to ensure that non-expendable property assigned to that office is properly inventoried. The **service provider** may use its existing inventory policy for tracking property if the policy covers property with a unit cost of \$500 or a useful life expectancy of more than one year more and provides for an annual physical inventory of the property. Documentation must be maintained and include at a minimum the condition, physical location, and current use of each item of property. The WPWDA will also conduct an inventory on at least an annual basis.

## F. MISSING STOLEN, OR MALICIOUSLY DAMAGED PROPERTY

The **service provider** must contact the WPWDA immediately if any WIOA property is missing, stolen, or maliciously damaged. A copy of a written report from the proper law enforcement agency must be submitted within 10 days of the date the property was found to be missing, stolen, or maliciously damaged. The WPWDA will provide additional instructions after review of the report and submittal to DWS.

## G. COPYRIGHTS

If intangible property on which a patent or copyright is obtainable is developed with WIOA funds, the **service provider** must procure the acknowledgment of its sub-recipients that the property is work for hire funded by the WPWDA and the WPWDA has ownership of such works unless specifically waived in writing by the WPWDA.

## H. WPJTC PROPERTY FORMS

### **WPJTC Non-Expendable Property Purchase/Lease Request**

**(Attachment A)** – This form is completed by the **service provider** and submitted to the Financial Manager with three (3) printed price quotes from three (3) different vendors requesting the property purchase/lease needed for the program operation. The acceptance and approval of the budget does not constitute approval to purchase/lease property listed on this form. Approval to purchase/lease will be forwarded to the **service provider** using WPJTC Non-Expendable Property Purchase/Lease Approval (Attachment B).

### **WPJTC Non-Expendable Property Purchase Approval**

**(Attachment B)** - This is the WPWDA letter of authorization to proceed with the property purchase/lease. This letter is accompanied by WPJTC Non-Expendable Property Purchase/Lease Request (Attachment A), which itemizes property and unit costs. This form is issued in response to the **service provider's** written request to purchase.

### **WPJTC Transfer of Non-Expendable Property (Attachment C) -**

This form is used to transfer property from one location to another when it is determined that the property in a **service provider's** possession is idle or is not being utilized for the purpose of WIOA and is needed by another **service provider** in the WPWDA. Both **service providers** will be required to sign this transfer form which will be maintained by WPWDA. A copy of the form will be given to each **service provider** involved.

## Western Piedmont Job Training Consortium Non-Expendable Property Purchase/Lease Request

\_\_\_\_\_  
Service Provider

Fund: \_\_\_\_\_

Date: \_\_\_\_\_

Description of Property	Property Used For	Property Location	Quantity	Unit Cost	Total Cost

Taxes: \$ \_\_\_\_\_

Shipping: \$ \_\_\_\_\_

Total Non-Expendable Property Purchase/Lease: \$ \_\_\_\_\_

\_\_\_\_\_  
Requested by

\_\_\_\_\_  
Title

**Submittal of this Non-Expendable Property Purchase/Lease Request does not constitute the required WPWDA approval required to purchase/lease non-expandable property.**

**Western Piedmont Job Training Consortium  
Non-Expendable Property Purchase/Lease Approval  
1880 Second Avenue SW  
PO Box 9026  
Hickory, NC 28603  
Phone: 828-322-9191  
Fax: 828-322-5991**

**Date:** \_\_\_\_\_

**To:** \_\_\_\_\_

**Subject:** Non-Expendable Property Purchase/Lease Request

**Service Provider:** \_\_\_\_\_

**Contract number:** \_\_\_\_\_

In accordance with the terms of your above mentioned contract, we are approving the purchase/lease of the items listed on the attached Western Piedmont Jobs Training Consortium (WPJTC) Property Purchase/Lease Request (Attachment A).

The title to this property at the present time is vested in the State of North Carolina and the WPJTC and/or its representatives are responsible for inventory control. Any change in location or utilization must be approved by our office in writing prior to such change as stated in the Non-Expendable Property Policy.

Copies of paid vendor invoices must be submitted to the Workforce Development Financial Manager in accordance with the Western Piedmont Workforce Development Area Non-Expendable Property Policy. Vendor invoices must be legible and show the following information:

- Manufacturer's Name
- Manufacturer's Serial Number if Applicable
- Funding Source
- Exact Unit Cost
- Date of Delivery
- Complete Description of Item
- Location of Item

All property acquired by purchase/lease with Workforce Innovation and Opportunity (WIOA) Funds are to be used in support of WIOA funded activities. Any use of WIOA property other than in support of WIOA funded activities may result in questioned costs during monitoring and audit.

If you have any questions, please do not hesitate to call.

\_\_\_\_\_  
Workforce Development Director



**Western Piedmont Job Training Consortium  
Transfer of Non-Expendable Property**

Transfer From: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Transfer To: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Description of Property	Asset #	Serial #	Property Used For	Property Location






# Non-Expendable Property Policy - Final - 5-2-22

Final Audit Report

2022-04-27

Created:	2022-04-27
By:	Elizabeth Hilliard (elizabeth.hilliard@wpcog.org)
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-  Document created by Elizabeth Hilliard (elizabeth.hilliard@wpcog.org)  
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-  Email viewed by Donna Gilbert (donna.gilbert@wpcog.org)  
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-  Document e-signed by Donna Gilbert (donna.gilbert@wpcog.org)  
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-  Agreement completed.  
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