



Florida Department of Labor and Employment
Security
Division of Jobs and Benefits

WDP-99-101

Replacing FMA-86-03R
Requirements for Property

3/5/99

WORKFORCE DEVELOPMENT POLICY

APPLICATION

Job Training Partnership Act (JTPA) Jobs and Education Partnership (JEP) Regions, Administrative Entities under Title II, Substate Grantees under Title III, Regional Offices, Jobs and Benefits/One Stop Career Centers, Work and Gain Economic Self Sufficiency (WAGES) Coalition Boards, and All Other Subrecipients.

SUBJECT

Accounting, Reporting, and Disposition Requirements for Property

EFFECTIVE DATE

Upon Issuance

EXPIRATION DATE

Until superseded or rescinded

PURPOSE

The purpose of this policy is to expand the procedures for the accounting, reporting and disposition requirements for tangible personal property being used in the following programs and/or initiatives: JTPA, School-to-Work (StW), WAGES, Wagner-Peyser, High Skill/High Wage, Welfare-to-Work (WtW), One-Stop Career Centers and the Food Stamps Employment and Training (FSET) program.

DISTRIBUTION KEY: 0

SUNSET 2025

BACKGROUND

There are several methods of ownership of property. Each one will be classified according to its source document and/or program. Another method of classifying ownership of property is by status within a particular community. For example, property could be owned by a public sector agency, or by a private for profit or not-for-profit organization. Further, several of these categories may overlap. Details then could be worked out in a non-financial agreement. The following chart shows a breakout of this information.

PROPERTY ACQUIRED	TITLE (OWNERSIDP)
Comprehensive Employment and Training Act	United States Department of Labor (USDOL)
Federal Grant (with Fed. Specs)	As specified in the grant
Federal Grant (without Fed. Specs)	Grant recipient (usually the state)
Subrecipient (non-government)	As specified by higher authority
Subrecipient (government)	As specified by higher authority or local discretion (city/county)

The Florida Statutes (F.S.) distinguish between property owned by the state and property owned by local governments as follows:

Chapter 273, F.S. State-owned tangible personal property

"The word 'property' as used in this section means equipment, fixtures, and other tangible personal property of a nonconsumable and nonexpendable nature, the value of which is \$500 or more and the normal expected life of which is one year or more, and hardbacked-covered bound books that are circulated to students or the general public, the value or cost of which is \$25 or more, and hardbacked covered bound books, the value or cost of which is \$100 or more."

Chapter 274, F.S. Local-Government owned tangible personal property

"The word 'property' as used in this section means fixtures and other tangible personal property of a nonconsumable nature the value of which is \$750 or more and the normal expected life of which is one year or more."

POLICY

The following are the procedures for the accounting, reporting, and disposition of property by programs and/or initiatives:

JTPA Property

JTPA property is subject to the following requirements. The Job Training Reform Amendments of 1992 (Public Law 102-367, September 7, 1992), Section 141(r) requires the following:

The Federal requirements governing the title, use, and disposition of real property, equipment and supplies, purchased with funds provided under the Act shall be the Federal requirements generally applicable to Federal grants to states and local governments. The Federal Register/Volume 59, Number 170, September 2, 1994, Section 627.465, Property Management requires the following:

- (a) States and governmental subrecipients. Real property, equipment, supplies, and intangible property acquired or produced after July 1, 1993, by states and governmental recipients with JTPA funds shall be governed by the definitions and property requirements in the Department of Labor regulations at 29 CFR Part 97, except that prior approval by the Department of Labor to acquire property is waived.
- (b) Nongovernmental subrecipients. Real and personal property, including intangible property acquired or produced after July 1, 1993, by nongovernmental subrecipients with JTPA funds shall be governed by the property management standards of Office of Management and Budget (OMB) Circular A-110, as codified by administrative regulations of the Department of Labor in 29 CFR Part 95 except that prior approval by the Department of Labor to acquire property is waived.

Federal regulations found at 29 CFR Part 97 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (1997 edition) require the following (This document is updated as of July 1 each year.):

- (a) **Title.** Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

- (b) **States.** A state will use, manage and dispose of equipment acquired under a grant by the State in accordance with state Laws and procedures.

The following information applies to this program/initiative and is considered to be mandatory.

Transferring Property. To maintain the integrity of the property system, it is essential that transfers of property from one agency to another or from one location to another within the same agency be properly documented and that the property records be subsequently adjusted to reflect those transfers.

Proper transfer requires preparation and distribution of the Bureau of Financial Management (BFM) Property Transfer Form BFM 50 (see Attachment I). Copies of this form may be obtained from either the stockroom or BFM. The addresses are listed below:

Department of Labor and Employment Security (OLES)
C&M Industrial Center Warehouse
4972 Woodville Highway Number 5
Tallahassee, Florida 32311-0902
Telephone Number: (904) 488-1915

OLES
BFM Property Unit
2012 Capital Circle Southeast
Room 107 A, Hartman Building
Tallahassee, Florida 32399-2162
Telephone Number: (850) 488-1937 or SunCom 278-1937

In order for a transfer to be properly executed, both the transferring custodian/custodian's delegate and the receiving custodian/custodian's delegate must sign the Property Transfer Form, LES Form BFM-50. In the case of a transfer from one location to another within the same agency, the custodian's delegate may sign as the transferring authority and the receiving authority.

Inventorying Property. Chapter 273, F.S., requires that each custodian (agency head) take an annual inventory of property in his/her custody. That general inventory (custodian inventory list) of all agencies accountable property is to take place each July 1, and mailed by August 15 to BFM. In OLES, the Secretary has designated the Property Unit within the BFM to coordinate inventory efforts.

Note: According to Section 273.02 of the F.S., once each year, on July 1 or as soon thereafter as is practicable, and whenever there is a change of custodian, each custodian shall take an inventory of property in his/her custody. Therefore, when there is a change in the administrative entity, Substate Grantee, or other subrecipients, a property inventory must be completed.

After Completion of Inventory. Enter the date, required certification signatures and other requested information on the last page of both copies of the Custodian Inventory List. The format for the Custodian Inventory List will be specified by the property unit, BFM. Provide the delegated coordinator (appointed by the JEP Board) one copy and either deliver or mail the other copy to the BFM address listed above.

Lost and Stolen Property. The custodian/custodian's delegate is responsible for the timely and accurate reporting of all lost or stolen property. Whenever a loss or theft of agency property is discovered, the following procedure must be followed:

- a) Upon the discovery of any missing property items, the custodian/custodian's delegate, in whose custody the items are listed, will immediately notify his/her supervisor and where there is evidence to indicate theft, the appropriate law enforcement agency.
- b) The custodian/custodian's delegate responsible for any property listed as lost or stolen will be responsible for conducting a search and investigation to determine the location of the missing property, the reason, if any, for its disappearance, or to secure evidence of wrongdoing, which evidence shall immediately be reported to the appropriate law enforcement agency and to the Property Unit. A copy of the police offense report must be obtained from the local law enforcement agency and included with the police report. Mail both to the BFM address listed above.

The Notification of Missing Property form must be completed and submitted to BFM (see Attachment II).

Procedures for Adjustment of Property Records. Each administrative entity, Substate Grantee, and all other subrecipients shall be responsible for maintaining proper records and controls over their property in accordance with Chapter 273, F.S. Each request to adjust property records shall be submitted to the Bureau of Workforce Program Support (WPS) at 1320 Executive Center Circle, 300 Atkins Building, Tallahassee, Florida 32399-0667. The records shall contain the following information:

- Name of administrative entity, and/or Substate Grantee;
- The property number (if assigned), description, acquisition date, and carrying value (cost);

- The date the item was last observed during a physical inventory and the dates of any physical inventories taken subsequent thereto;
- A brief description of the reason why it is necessary to charge off the property (lost, stolen, or otherwise unaccounted for);
- A copy of an investigative report from the proper law enforcement authority if the item was reported stolen;
- A brief description of any action taken to recover the item or its cost from the custodian; and
- A brief description of any procedural changes implemented to prevent future losses.

The WPS will review the information submitted by the administrative entity, and/or Substate Grantee and submit it to BFM for further actions. BFM will also review the information and make a recommendation to the Comptroller with regard to each request. BFM generally will not recommend that missing or lost items be charged off prior to the time that such items have been reported missing during two physical inventories. These procedures do not apply to the adjustment of property records in connection with the disposal of surplus property pursuant to Section 273, F.S.

Note: All property purchased using JTPA funds will be considered as property of the State of Florida. "The word 'property' as used in this section means equipment, fixtures, and other tangible personal property of a nonconsumable and nonexpendable nature, the value of which is \$500 or more and the normal expected life of which is one year or more, and hardbacked-covered bound books that are circulated to students or the general public, the value or cost of which is \$25 or more, and hardbacked covered bound books, the value or cost of which is \$100 or more." All administrative entities and/or Substate Grantees, including local-government agencies, must adhere to the above requirements.

Surplus/Excess Property Disposition. Excess/surplus property is defined as tangible personal property that is no longer needed or required by a recipient, subrecipient, or Substate Grantee. The property shall be identified, and the Certification of LES Surplus Property Form BAS 7001 must be completed and submitted to the WPS (see Attachment II). WPS will publicize the availability of the useable property to other JTPA entities, which will be given the opportunity to acquire the property on a first-come-first-served basis. The entity which is to receive the property is responsible for all transportation/movement arrangements. In order to facilitate the publication of the surplus items, the following information shall be identified when seeking assistance.

For items in 'Poor' and 'Swap' conditions, WPS may authorize disposition instructions immediately. If there is no interest in the JTPA community, the following information

will be passed to the Departmental Property Administrator who will advertise in Departmental channels:

- Description of property
- Date acquired
- Original purchase price
- Current fixed asset book value
- Condition Code: (E)xcellent; (G)ood, (F)air, (P)oor or (S)wap
- Fair Market Value
- Justification for action

If there is no interest, the Property Administrator will notify WPS, permitting WPS to notify the original entity to dispose of the equipment in the landfill/dump, or donate the item(s) to a public or charitable organization. Upon disposal of the equipment, the original entity must submit an affidavit to WPS verifying the disposal process (see Attachment II. The entity must retain a copy of the completed forms in its permanent files.

Surplus **JTPA** records (those without audit questions), may be disposed of after the holding period (three years after a program's completion) by completing and submitting the Records Disposition Request Form LS5E107R.93 to WPS (see Attachment III). (The state considers JTPA records to belong to the State of Florida; therefore, required forms contain disposition authority.). Completed forms are to be retained in the entity's permanent files.

UNDER NO CIRCUMSTANCES SHALL SURPLUS ITEMS BE USED FOR PERSONAL USE AND THEY SHALL NOT BE GIVEN TO ANYONE UNDER ANY CIRCUMSTANCES.

Recipients of **JTPA** funds must establish internal procedures to identify, control and manage property. The Property Custodian Handbook, Rules of the Auditor General, and Surplus Instruction should be used as a guide when establishing these procedures (see Attachment IV).

WtW Property

The following are the procedures for property purchased with the WtW grant to the State of Florida:

Extract from the Federal Register, Volume 62, Number 249, Tuesday, December 30, 1997, *WtW Competitive Grants*.

"Use of federal funds: Federal funds cannot be used to support activities, which would be provided in the absence of those funds. Grant funds may cover only those costs, which are appropriate and reasonable. Federal grant funds may only be used to acquire equipment which is necessary for the operation of the grant. The grantee must receive prior approval from the Department of Labor/Employment and Training Administration Grant Officer for the purchase and/or lease of any property and/or equipment with a per unit acquisition cost of \$5,000 or more, and a useful life of more than one year as defined in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," codified at 29 CFR Part 97, and Grants and Agreements with Institutes of Higher Education, Hospitals and Other Non-Profit Organizations," codified at 29 CFR Part 95. This restriction includes the purchase of Automatic Data Processing (ADP) equipment. A request for such prior approval may be included in the grant or submitted after the grant award."

The following information applies to this program/initiative and is considered to be mandatory.

Transferring Property. The procedures as outlined in the JTPA property section must be adhered.

Inventorying Property. The procedures as outlined in the JTPA property section must be adhered.

After Completion of Inventory. The procedures as outlined in the JTPA property section must be adhered.

Lost and Stolen Property. The procedures as outlined in the JTPA property section must be adhered.

Surplus/Excess Property Disposition. The procedures as outlined in the JTPA property section must be adhered.

StW Property

The following information shows how a StW program shall handle property:

Extract from OMB Circular A-87, May 1995, *StW Costs*

(19) Equipment. "OMB significantly altered the Federal cost principles pertaining to equipment when it revised A-87 in May, 1997. A-87 now defines "equipment" as "an

article of nonexpendable tangible personal property having a useful life of more than one year and an acquisition cost which equals the lesser of (a) the capitalization level established by the governmental unit for financial statements purposes, or (b) \$5,000." Generally, items of equipment with an acquisition cost below \$5,000 are considered supplies. As such, they are allowable as direct costs to the StW Program, and your local partnership will not need specific approval from the awarding agency to charge them to the grant. You should note that state law may prevent you from using Federal funds for equipment and/or may define equipment at an amount under \$5,000."

The following information applies to this program/initiative and is considered to be mandatory:

Transferring Property. The procedures as outlined in the JTPA property section must be adhered.

Inventorying Property. The procedures as outlined in the JTPA property section must be adhered.

After Completion of Inventory. The procedures as outlined in the JTPA property section must be adhered.

Lost and Stolen Property. The procedures as outlined in the JTPA property section must be adhered.

Surplus/Excess Property Disposition. The procedures as outlined in the JTPA section must be adhered.

Wagner-Peyser 7(a) (Base Programs) Property

With regard to Wagner-Peyser Base Programs, the Jobs and Benefits/One Stop Career Centers should follow state procedures for acquisition, control and management of property. The following information applies to this program/initiative and is considered to be mandatory.

Transferring Property. All Jobs and Benefits/One Stop Career Centers must adhere to the procedures as contained in the Property Custodian Handbook (October 1998-Fiscal Year 1998-1999), and Surplus Instruction (see Attachment IV).

Inventorying Property. All Jobs and Benefits/One Stop Career Centers must adhere to the procedures as contained in the Property Custodian Handbook (October 1998-Fiscal Year 1998-1999), and Surplus Instruction (see Attachment IV).

Note: According to Section 273.02 of the F.S., once each year, on July 1 or as soon thereafter as is practicable, and whenever there is a change of custodian, each custodian shall take an inventory of property in his/her custody. Therefore, when there is a change in the administrative entity, Substate Grantee, or other subrecipients, a property inventory must be completed.

After Completion of Inventory. All Jobs and Benefits/One Stop Career Centers must adhere to the procedures as contained in the Property Custodian Handbook (October 1998-Fiscal Year 1998-1999), and Surplus Instruction (see Attachment IV).

Lost and Stolen Property. All Jobs and Benefits/One Stop Career Centers must adhere to the procedures as contained in the Property Custodian Handbook (October 1998-Fiscal Year 1998-1999), and Surplus Instruction (see Attachment IV).

Surplus/Excess Property Disposition. All Jobs and Benefits/One Stop Career Centers must adhere to the procedures as contained in the Property Custodian Handbook (October 1998-Fiscal Year 1998-1999), and Surplus Instruction (see Attachment IV).

Wagner-Peyser 7(b) Property

Wagner-Peyser 7(b) programs should follow the directives published in the Request for Proposal. Wagner-Peyser 7(b) programs will not be allowed to purchase property.

FSET Program Property

The provider of FSET program services agrees to adhere to, and apply to implement the Department of Children and Families (DCF) Information Technology Resources (ITR) procedures where the information technology resources (data processing hardware, software, services, supplies, maintenance, training personnel, and facilities) are paid for by the DCF.

The DCF's Office of Information Systems agrees that its policies, procedures, and billing practices will be uniformly applied to all customers, including the provider, consistent with the most currently approved Cost Allocation Plan on file with the Federal Regional Office, Division of Cost Allocation, incorporated herein by reference.

Prior written approval from the department is required for the purchase of any item of nonexpendable property with a unit cost of \$2,000 or more that is not specifically listed in the approved contract budget. Nonexpendable property is defined as tangible personal property of a nonconsumable nature that has a acquisition cost of \$500 or more per unit and an expected useful life of at least one year; and hardback bound books that are not circulated to students or the general public, the value or cost of which is \$100 or more. Hardback books with a value or cost of \$25 or more should be classified as Operating Capital Outlay (OCO) expenditure only if they are circulated to students or the general public.

At no time shall the provider dispose of nonexpendable property purchased under the contract or previous contracts with the DCF for the services which are the subject of this contract, except with the written permission and consent of, and in accordance with, instructions from the DCF.

The provider agrees to account for equipment purchased with funds provided under this contract as described below:

To inventory annually and maintain accounting records for all equipment purchased, and submit an annual inventory report to the DCF with the final expenditure reports. The accounting records shall include a description of the property by model number, manufacturer's serial number, funding source, date of acquisition, information needed to calculate the federal and/or state share, unit cost, property inventory, and information on the condition, transfer, replacement or disposition of the property, including the expected useful life of the property.

BFM will notify the DCF in writing, within 30 days, of any equipment loss with the date and reason(s) for the loss.

To be responsible for the correct utilization and disposition of all equipment furnished by the DCF under the contract.

Title (ownership) to all nonexpendable property acquired under the contract shall be vested in the DCF and shall have property identification stickers placed on each piece of equipment. Despite provision of any subcontract under the contract, title shall be vested in the DCF and shall have DCF property identification stickers placed on each piece of equipment. The DCF will furnish identification stickers to the provider.

Records and Documentation. The provider must retain financial records, supporting documents, statistical records, and other documents pertinent to this contract for a period of three years after termination of this contract. If an audit has been initiated and audit findings have not been resolved at the end of three years, the records shall be retained until resolution of the audit findings.

The provider must establish, document and adhere to a records retention system and schedule that meets the record retention requirements as provided in federal regulations and DCF retention schedules (Administrative Records Management Publications, the manual **HRSM 15-1**, and the pamphlet **HRSP 15-1**).

Confidentiality. The provider must maintain both physical and electronic records in a secure environment that meets federally mandated guidelines for confidentiality of client information. These guidelines are outlined in Chapter 400 of the Integrated

Public Assistance Policy Manual, HRSM 165-22 and are also contained in 7 Code of Federal Regulations (CPR), 42 CPR, 45 CPR and

Chapter 414, F.S. Copies of these publications are available at the DCF. Resolution of final questions regarding records will be DCF's responsibility.

Note: All Jobs and Benefits/One Stop Career Centers who operate FSET programs must adhere to the procedures as contained in the Property Custodian Handbook (October 1998-Fiscal Year 1998-1999), Surplus Instruction (see Attachment IV) and the Wagner-Peyser section of this policy.

One Stop Career Centers Property

The following instructions apply to One-Stop Career Centers, pertaining to nonexpendable property.

Nonexpendable property is defined as tangible personal property of a nonconsumable nature that has an acquisition cost of \$500 or more per unit and an expected useful life of at least one year, and hardbound books that are not circulated to students or the general public, the value of which is \$100 or more. Hardback books with a value or cost of \$25 or more should be classified as an OCO expenditure only if they are circulated to students or the general public.

All property shall be listed on the property records of the provider. Said listing shall include a description of the property, model number, manufacturer's serial number, funding source information needed to calculate the federal and/or state share, date of acquisition, unit cost, property inventory number and information on the location, use and condition, transfer, replacement or disposition of the property.

All such property purchased, as of June 30, 1998, shall be inventoried annually and the inventory list submitted to the OLES along with the final expenditure report. A report of nonexpendable property shall be submitted to the OLES along with the expenditure report for the period in which it was purchased.

Title (ownership) to all nonexpendable property acquired with these funds shall be vested in the OLES, upon completion or termination of the contract, unless otherwise authorized in writing by the Department.

At no time shall the provider dispose of, or transfer nonexpendable property purchased except with the permission of, and in accordance with instructions from the OLES. Lost or stolen property shall be reported to the OLES with details and a copy of the police report. Surplus property shall be reported to OLES.

A formal contract amendment is required prior to the purchase of any item of nonexpendable property not specifically listed in the approved contract budget.

All nonexpendable property purchased with these funds is to be used only for contract related activities.

WAGES Property

Accountability. The local WAGES Coalition shall maintain accountability of tangible personal property in accordance with F.S.; Rules of the Auditor General, Chapter 10.300; and other directives issued by OLES. This responsibility also extends to subcontractors of WAGES Coalitions.

Property Custodian. The local WAGES Coalition shall identify and appoint a property custodian. The property custodian shall maintain inventory records and report any acquisitions or transfers of property to OLES' Division of Jobs and Benefits (DJB).

Additions of Property. Upon receipt or purchase of accountable personal tangible property, by the WAGES Coalition, the property custodian will update the property records and maintain the following information as applicable on each item:

- A. Identification number (property tag);
- B. Description of the Item;
- C. Physical location;
- D. Responsible individual or organization;
- E. Type of equipment;
- F. Make or manufacturer;
- G. Year or model;
- H. Manufacturer's serial number;
- I. Date acquired;
- J. Purchase price;
- K. Condition of property (new, good, fair, poor);
- L. Method of acquisition (for purchased items, include voucher number); and
- M. Other information the property custodian may care to include.

After the information has been recorded on the property records, the property will then be assigned to the individual responsible for its use. It is recommended that this assignment be made in writing to ensure "user-level" accountability.

Annual Reports. The following documents must be prepared and forwarded to the DLES', BFM (Address: 2012 Capital Circle Southeast, Room 107 A, Hartman Building, Tallahassee, Florida 32399-2162) no later than August 15th of each fiscal year:

- A. **Documents.** The following documents must be prepared in accordance with Governmental Accounting and Financial Reporting Principles and contain the following:
 - 1. A statement of General Fixed Assets;
 - 2. Schedule of Changes in General Fixed Assets; and Workforce Development Policy FMA-86-03R2 page 21 of page 22;
 - 3. Working paper for Schedule of Changes in General Fixed Assets.
- B. **Annual Inventory.** A copy of the annual inventory, with certification that a physical inventory was completed during the fiscal year, the inventory was compared with the property record, and all discrepancies were traced and reconciled.

Disposition of WAGES Property. Excess/surplus property is defined as tangible personal property that is no longer needed or required by a WAGES Coalition. Such property will be identified and reported to the WPS in the same manner as disposal of JTPA property (see Surplus Property Disposition). The WPS will publicize the availability of the property to other WAGES Coalitions which will then be given the opportunity to acquire the property on a first come-first served basis.

Publication of Availability of Property. In order to facilitate the publication of the availability of excess/surplus property, the following information shall be submitted by the property custodian:

1. Description of the property;
2. Date acquired;
3. Original purchase price;
4. Current Fixed Asset book value;
5. Fair market value
6. Condition code: (E)xcellent; (G)ood; (F)air; (P)oor; (S)wap
7. Justification for determining the property to be excess/surplus.

Duplicate Requests for Property. If more than one local WAGES Coalition requests the property, the WPS will coordinate with Division of Administrative Services' Bureau of Administrative Support and request disposition instructions for WAGES property in accordance with established state policies and procedures.

Recipients of WAGES funds must establish internal procedures to identify, control and manage property. The Property Custodian Handbook, Rules of the Auditor General, and Surplus Instruction should be used as a guide when establishing these procedures (see Attachment IV). The procedures as outlined in the JTPA section of this policy must also be adhered.

AUTHORITY

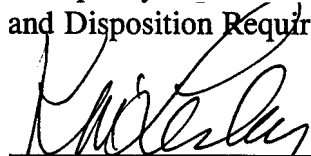
Division of Jobs and Benefits

ACTION

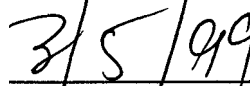
Recipients of program and/or initiatives funds such as JTPA, WAGES, StW, Wagner-Peyser, High Skill/High Wage, and any other federally-funded workforce development programs administered by the DJB shall comply with the procedures for property management as outlined in the policy. Local property management procedures to include a brief description of insurance purchased on electronic processing equipment are to be included in the Administrative Plan.

SUPERSESSION

This policy supersedes Division Policy FMA-86-03R, Subject: Accounting, Reporting and Disposition Requirements for Property dated June 18, 1996.



Kathleen L. McLeskey
Director



Date Signed

KLM/psm

Attachment