

COMMONWEALTH OF VIRGINIA
VIRGINIA COMMUNITY COLLEGE SYSTEM

WORKFORCE INVESTMENT ACT

VIRGINIA WORKFORCE LETTER (VWL) #10-04

TO: LOCAL WORKFORCE INVESTMENT BOARDS

FROM: WORKFORCE DEVELOPMENT SERVICES

SUBJECT: WIA EQUIPMENT MANAGEMENT PROCEDURES – PURCHASES, INVENTORY AND DISPOSAL

DATE: March 1, 2011

Purpose:

This document provides guidelines regarding the purchase, inventory and disposal of equipment purchased with U.S. Department of Labor Workforce Investment Act funds.

Definitions:

Equipment – An article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000, including all costs related to the property's final intended use.

Fair Market Value –

For Sale purposes: The selling price of an item that is sold through auction, advertisement, or a dealer.

For purposes of authorizing the subrecipient to retain equipment for use after grant award expiration: The value of similar items that are offered for sale, using the selling price if known.

References:

Workforce Investment Act of 1998, Section 195

Code of Federal Regulations

- Title 29 CFR Part 95, Sections 95.34 and 95.53

- Title 29 CFR Part 97, Sections 97.32 and 97.42
- Title 20 CFR Part 667, Section 667.200(a)(8)
- Title 2 CFR Part 220 (OMB Circular A-21, Cost Principles for Educational Institutions)
- Title 2 CFR Part 225 (OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments)
- Title 2 CFR Part 230 (OMB Circular A-122, Cost Principles for Non-Profit Organizations)

Requirements:

A. PURCHASES

Requirement

Sub recipients must request written prior approval from the Virginia Community College System (VCCS) for equipment purchases with a per unit cost of \$5,000 or more. Lack of written prior approval for purchases may result in disallowed costs.

Purchase Considerations

The following considerations should be made prior to requesting approval from the VCCS to utilize Workforce Investment Act funds for the purchase of equipment:

- 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? If so, a cost sharing schedule must be provided with the purchase approval request. *NOTE:* The subrecipient must obtain prior approval regardless of the portion of the equipment purchase that is allocated to Workforce Investment Act funds.

Requesting Purchase Approval

Sub recipients must submit a signed hardcopy Equipment Purchase Approval Request (Attachment 01) to the VCCS Workforce Development Services (WDS) Resource Administrator. The purchase request, along with supporting documentation, will be reviewed for completeness and reasonableness. A written response will be issued to the subrecipient by the VCCS within 7 business days upon receipt of a proper and complete request.

B. INVENTORY

Records

Equipment records shall be maintained accurately and shall include the following information:

1. A description of the equipment.
2. A serial number or other identification number.
3. Source of the equipment, including the award number.
4. Title holder.
5. Acquisition date.
6. Per unit cost of acquisition.
7. Percentage of Federal participation in the cost of the property.
8. Location, use and condition of the property and the date the information was reported.
9. Any ultimate disposition data including the date of the disposal, sale price of the property, loss, theft, etc.

Inventory records will be reviewed periodically through the monitoring process and at the request of WDS staff.

C. DISPOSITION

For equipment with a residual fair market value of less than \$5,000, the subrecipient may retain, sell, or otherwise dispose of the equipment with no further obligation to the awarding agency.

For equipment with a residual fair market value of \$5,000 or more, the subrecipient must request disposition instructions in writing from the VCCS.

D. ADDITIONAL CONSIDERATIONS

Program Income

Sub recipients may permit employers to use WIA-funded equipment on a fee-for-service basis to provide employment and training activities to incumbent workers:

1. When the equipment is not being used by eligible participants;
2. If their use does not affect the ability of eligible participants to use the equipment; and
3. If the income generated from such fees is used to carry out authorized programs.

Any program income generated on a fee-for-service basis for the use of equipment should be reported in the Workforce Investment Act Monthly Expenditure Detail Report.

Retention and Access Requirements for Records

All equipment records must be maintained from the date of acquisition through final disposition. The sub recipient must also retain those records for a period of three years from the date of their last expenditure report submitted to the VCCS. If any litigation, claim, or audit is started before the expiration of the three-year period, all records must be retained until all findings have been resolved and final action taken.

ATTACHMENT 01

VIRGINIA COMMUNITY COLLEGE SYSTEM
Workforce Investment Act
Equipment Purchase Approval Request

Policy:

Subrecipients must request written prior approval from the Virginia Community College System (VCCS) for equipment purchases with a *per unit cost of \$5,000 or more*. Lack of written prior approval for purchases may result in disallowed costs.

PART 1 - REQUESTER'S INFORMATION

Organization Name: _____

Requester (Name and Title): _____

Phone: _____ Email: _____

PART II - DESCRIPTION OF EQUIPMENT & PURCHASE JUSTIFICATION

Name of equipment to be purchased:

Why is the purchase of this equipment essential for this grant program?

Equipment to be purchased*:

Qty.	Item Description	Unit Price	Total

*Attach supporting documentation and any other information that may be helpful to reviewer.

Funding Source: _____

Federal Grant Award Name and Number: _____

PART III - CERTIFICATION

By signature of this request, I acknowledge that I have made the purchase considerations found in **VCCS WDS Policy: Equipment Management – Purchases, Inventory and Disposal (Policy)**. I certify that the above information is true and correct to the best of my knowledge. I also agree to abide by the Policy requirements with regards to the title, use, disposition, and retention of equipment purchased with Workforce Investment Act funds provided by the Virginia Community College System.

Requester's Signature _____ Date _____

VCCS Approval Signature _____ Date _____