



TO: Chief Elected Officials
Local Workforce Investment Board Chairs
WIA Fiscal Agents and Subrecipients
WIA State Agency Partners
WIA Title I-B Administrators
One-Stop Operators
Other Interested Person

SUBJECT: Property Control for Property Purchased with WIA Title I-B Grant Funds, and
JTPA Grant Funds

DATE: March 31, 2001

I. PURPOSE:

To transmit definitions, policies, and procedures for inventory and property control.

II. ISSUANCES AFFECTED:

- a) Workforce Investment Act of 1998, Public Law 105-220
Workforce Investment Act Final Rules, 20 CFR Part 652; Part 660 et al.
- b) Rescissions: PY'93 JTPA Policy Letter No. 93-363, Change 1

III. SUBJECT INDEX:

Property Control

IV. BACKGROUND:

The Workforce Investment Act of 1998, Public Law 105-220, and the Workforce Investment Act Final Rules 20 CFR Part 652; Part 660 et al. came into implementation in Illinois on April 1, 2000. This policy letter promulgates the property control and management requirements under the new Act and the Regulations. The Job Training B Bureau of the Illinois Department of Employment Security (IDES) has the primary responsibility of implementing the Title I-B portion of the Workforce Investment Act.

V. POLICY:

All property purchased with WIA Title I-B grant funds and JTPA grant funds shall be maintained and managed in accordance with the federal regulations at 29 CFR Part 97.31 and 97.32 and 97.33, or at 29 CFR 95.30 through 37, whichever is applicable. Additionally, where applicable, the provisions of 29 CFR Part 667.200(c) shall apply.

For the purpose of this policy letter, a unit of property is defined as a single piece of equipment, except in the case where more than one piece of equipment is needed to make an entire system functional such as a computer or telephone system. For example, when purchasing a computer, the monitor, keyboard, printer, and hard drive are all to be considered as a component of the total system, with the total system defined as a unit of property. Likewise with a telephone system, the switchboard along with all phones required to make up the system shall be considered the unit of property. After initial acquisition of such a system, any component part upon replacement shall be considered as a single unit of property for that type of transaction.

Computer software is considered to be non-expendable personal property.

Acquisition of Nonexpendable Personal Property

Nonexpendable personal property, acquired either through purchase or lease-purchase, with a unit purchase price of \$5,000 or more shall require prior approval from IDES. Standards used in determining whether to grant approval include the necessity of such purchases to achieve program goals and the planned expenditure for such purposes as compared to other available prices.

Inventory Control

IDES shall be responsible for inventory units of nonexpendable personal property with an acquisition cost of \$5,000 or more via an electronic data processing system. Subrecipients shall provide inventory information to the department on the "IDES Personal Property Inventory Control Form" (Exhibit A) within 30 days of the acquisition of the property. Grantees shall be responsible for inventory units of nonexpendable personal property with an acquisition cost of \$1,000 to \$4,999. Records shall be maintained in accordance with the federal regulations at 29 CFR Part 97.31 and 97.32 and 97.33, or at 29 CFR 95.30-37, whichever is applicable. Additionally, where applicable, the provisions of 29 CFR Part 667.200(c) shall apply.

Lost, Damaged, or Stolen Property

When loss, theft, or damage to grant property occurs, a "Report of Lost, Stolen, or Damaged Property" (Exhibit B) shall be forwarded by the grantee to the IDES Program Manager within 10 days of the discovery of loss. In the case of stolen property, a police report must accompany the report to IDES, or a fire department report in the case of fire damaged property.

Disposition of Nonexpendable Personal Property

The IDES Program Manager should be contacted for disposition instructions for disposition of equipment having an acquisition cost of \$5,000 or more when the WIA subrecipient/grantor relationship ends or the property is no longer needed by the subrecipient, the grant recipient, substate grantee, or other subrecipient. This notification shall be given via the "Report of Excess/Unserviceable Nonexpendable Personal Property" (Exhibit C). In no event should property having an acquisition cost of \$5,000 or more be transferred from control of the subrecipient without written approval from IDES.

Nonexpendable personal property with an acquisition cost of less than \$5,000 will be disposed of at the discretion of the subrecipient. Disposition options include:

- a) Transfer of property to other federal grant subrecipients
- a) Sale of the property (net proceeds to be returned to the program as program income)
- b) Donation of property to public schools or community-based organizations
- c) "Junking" of property which is obsolete, unusable, or in a state of disrepair

Note: If a WIA subrecipient needs to request the use of state (IDES) owned equipment, they must do so through their IDES Program Manager, who will follow the proper internal IDES procedures to acquire this equipment. This equipment is subject to all State procurement and disposition policies. It must be used for WIA purposes only and the IDES Program Manager must be notified about repairs or disposition. Under no circumstances can a grantee dispose of state (IDES) owned property.

VI. ACTION REQUIRED:

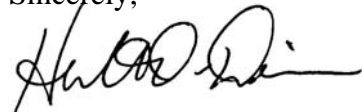
This information should be disseminated to subrecipient staff responsible for maintaining property inventory.

VII. INQUIRIES: Program Managers

VIII. EFFECTIVE DATE: Immediately

IX. EXPIRATION DATE: Ongoing

Sincerely,



Herbert D. Dennis, Deputy Director
Job Training Bureau

HDD:tgc

Attachments: Exhibit A
Exhibit B
Exhibit C