



LOS ANGELES COUNTY

WIA Adult, Dislocated Worker, Adult Special Needs and
Youth Programs
DIRECTIVE

Number: LACOD-WIAD08-26

Subject: WIA Program Inventory Closeout

Date: 3/31/08

Effective Date: Upon Release

Page 1 of 2

TO: WIA Contractors

PURPOSE:

The purpose of this directive is to inform all WIA contractors that all WIA property must be tagged and identified accordingly. Funding sources mandate that all furniture, property, and equipment must be properly identified with WIA tags in visible and easily accessible areas.

BACKGROUND:

Section 32.0 of the Standard Terms and Conditions of the WIA Adult, Dislocated Worker, Adult Special Needs and Youth Contracts states the following:

Fixed Assets. Title to all fixed assets purchased with COUNTY funds designated by COUNTY for that purpose under this Contract shall remain with the COUNTY. A "Fixed Asset" is defined hereunder as any equipment costing Five Thousand Dollars (\$5,000) or more, with a useful life of more than one year (Attachment 1, Fixed Assets/Equipment Purchase Requirements). Such assets shall be maintained, repaired and kept track of by completing an Inventory Control Form (Attachment 2), by CONTRACTOR during the term of this Contract. CONTRACTOR shall provide an accounting of such assets at the termination or expiration of this contract and shall deliver same to County upon county's written request. Contractor shall have the option upon the expiration or termination of this contract to acquire such assets at a price to be mutually agreed upon by County and Contractor. Contractor shall abide by the policy set forth in Fixed Assets/Equipment Purchase Requirements (Attachment 1).

POLICY AND PROCEDURES:

All property equipment should be tagged and included on the Property/ Inventory form. This includes furniture, office equipment, computer equipment, and computer or office related equipment. Each item such as a chair, monitor and CPU should be tagged individually. Furthermore, if your agency is funded for more than one program the WIA program property costs should be identified separately. Agencies must have in place a control system to ensure adequate safeguards against loss, damage, or theft of the property. Any lost, damaged, or stolen property must be investigated.

Please share this information with your subcontractors to ensure all equipment is identified and tagged.


Property Certification

Agencies are to conduct a physical inventory of property and equipment and reconcile the results with the property records at least once every two years. Agencies are required to keep records that include a description of the property, program and program tag number, serial number or other identification number, the funding source, the acquisition date, cost of the property, percentage of federal participation in the cost of the property, property location, use and condition of the property, and any disposition data, including the date of disposal and sale price of the property if applicable. This list should include all useable property regardless of its value.

All WIA contractors who purchased property or equipment with WIA funds must complete the following form and submit it to the following address by June 30, 2008.

County of Los Angeles
Community and Senior Services
Employment & Training Programs
3175 West Sixth Street
Los Angeles, California 90020
Attn: Maggie Mireles

If you have any questions regarding this directive, please contact Maggie Mireles at (213) 738-2198 or Robert Brieff at (213) 351-8924 or rbrieff@css.lacounty.gov.



Josie Marquez, Executive Director
Workforce Investment Board

Attachments

FIXED ASSETS/EQUIPMENT PURCHASE REQUIREMENTS

I. FIXED ASSETS/PURCHASES

Fixed assets: equipment with a value \geq \$5,000.

Non-fixed assets: equipment with a value $<$ \$5,000, but \geq \$500.

A. Procurement of Fixed Assets (Computer equipment/supplies, furniture, vehicles, etc.)

1. Equipment inventory requirements for items purchased with program funds are contained in the Fixed Assets Section of the Standard Terms and Conditions of the contract. All contractors must adhere to the applicable Code of Federal Regulations (CFR) and/or Federal Office of Management Budget (OMB) Circulars that include: CFR Title 29 Parts 95 and 97, and OMB Circulars A-21, A-87, A-102, A-110, A-122 and A-133.
2. If the program guidelines governing the contracted services indicate that equipment may be purchased, the County has established procurement guidelines that the Contractor must adhere to.
 - i. Prior to the purchase/acquisition of equipment items, approval must be obtained from the County. **No** equipment with a value over \$5,000 may be purchased without prior approval from the County and, as mandated by State regulations and guidelines, the County must receive prior approval from the funding source.
 - ii. The contractor must ensure that the cost of the equipment is reasonable and the item(s) is necessary for the provision of services contracted under this contract.
 - iii. All equipment purchased with program funds and provided to the Contractor must be used for the benefit of the program for which it was purchased and funded by.

B. Title

1. All equipment purchased in excess of \$500 will remain the property of the County until such time as the County approves final disposition of the equipment.
2. At all times titles to vehicles reside with the Federal Pass-through agency and remain the residual property of the Federal government.

II. INVENTORY REQUIREMENTS

A. Equipment/Inventory Tracking

1. The County requires an updated list of all contractors' inventory and backup, support records (receipts of purchase, purchase orders, etc.) every two years or more frequently, if necessary. Contractors are to conduct a **physical inventory** of property and equipment and reconcile the results with the property records at least once every two years, or as necessary. The physical inventory should include all furniture, property, and equipment purchased with contract funds **IN EXCESS OF \$500**. Since Federal and State funding sources mandate all furniture, property, and equipment must be reported

AND properly identified (tagged with County property program identification tags), your agency must complete and submit an Inventory Control Form (see Attachment XVI) that allows the inclusion of all required information (see II. A.2.). If your agency requires property program identification tags and/or Inventory Control Form, contact your County Analyst, who will forward tags and a form to you. Tags must be affixed to applicable items in an area where they are visible or easily accessible to examine.

2. Agencies are required to maintain property records that include a description of the property, program tag number, serial number or other identification number, the funding source, the acquisition date, cost of the property, percentage of Federal participation in the cost of the property, property location, use and condition of the property, and any ultimate disposition data, including the date of disposal and sale price of the property, if applicable. Adequate maintenance procedures must be in place to keep property and equipment in good condition.
3. Agencies must have in place a control system to ensure adequate safeguards against loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
4. If no furniture, property, or equipment has been purchased in excess of \$500 for the program year, **a letter must be submitted for each program year, which indicates no inventory was purchased for your Program(s)**. All property and equipment must be tagged and complete tag numbers included on the Inventory Control Form. This includes furniture, office equipment, computer equipment, and computer or office-related equipment (does not include computer keyboards, mice, etc.). **Use a separate Inventory Control Form** for each program OR columns that provide dual sources percentage or dollar splits. Applicable back up support documentation **must be "in order" and attached to each Inventory Control Form or separated out by program if dual sources were used to purchase inventory.**

III. INVENTORY DISPOSAL AND SALVAGE POLICIES AND PROCEDURES

- A. Federal and State regulations allow salvage and/or surplus items of equipment that are less than \$5,000 in the **aggregate** to be "sold or otherwise disposed of," with the exception that the following policies and procedures are in place and adhered to at the time of sale, transfer, and/or final disposition of the inventory:
 1. Contractors are required to obtain prior approval from Los Angeles County for inventory/salvage disposal or transfer, and have supporting documents for all purchases made with Federal, State, and/or County funds. Your office should be in receipt of purchase orders and/or receipts for all items purchased that are reflected on the inventory form(s);
 2. Inventory that is being transferred after the program (which the inventory was purchased for) has ended or contractor agency closure can only be transferred to another federally funded program. The inventory must be retagged with identification tags of the new program and a Inventory Control Form submitted which include old and new tag identification numbers;
 3. If inventory will be sold, proper sales procedures must be in place that provide for competition to the extent practicable and result in the highest possible return prior to any sale program inventory. Income from the sale of salvaged inventory becomes program income. Prior approval for the use of program income must be obtained from CSS in

accordance with contract terms;

4. Disposition records that include the description of the equipment, current market value, sale date, sale price, and dealer or auctioneer information must be kept for all sale transactions for a minimum of three years;
5. Sales revenue information resulting from the sale of the inventory must be recorded and kept on file for a minimum of three years;
6. Contracted agencies may donate salvage inventory as long as the inventory has first been offered and declined by all other County departments and the donation does not create a conflict of interest for Los Angeles County or the contracted agency, i.e., agency employees, or employees' family members, businesses which employ or have a relationship with agency employees or employees' family members, businesses conducting business with the agency, and agency adult and/or youth participants, etc. **Agencies must obtain approval from the County to donate salvage equipment. Contractors must obtain (from the recipient of the donated item(s)) receipts acknowledging the donated item(s) and forward copies of the receipts to the County within two weeks of the donation.** It is recommended that agencies obtain a liability waiver for donated items;
7. All items being disposed of, transferred, sold, or donated must include a current fair-market value. One or more of the following methods can determine the value: Orion Computer Blue Book, professional/expert appraisal, public advertisement, industry quotation, etc.; and,
8. All inventory records (including purchase orders) must be retained for a minimum of three years from the date of acquisition through final disposition (salvage disposal) and be available for collection and/or viewing, if necessary. Additionally, all disposal records must be retained for a minimum of five years.

