



RIVERSIDE COUNTY
WORKFORCE DEVELOPMENT BOARD

PROPERTY: ACQUISITION, RECEIPT, INVENTORY,
STORAGE AND DISPOSITION
POLICIES AND PROCEDURES

Date: May 21, 2025

Number: 16-02

PURPOSE:

To provide Riverside County Housing and Workforce Solutions (HWS) Workforce Development Division (WDD) service providers and staff with guidance for the acquisition, receipt, inventory, storage, and release of property and equipment purchased with federal funds.

EFFECTIVE DATE:

Upon Release

REFERENCES:

- WIOA ([Public Law 113-128](#))
- Federal Register, [Volume 78, Number 248](#), Thursday, December 26, 2013, Part III, Office of Management and Budget
- Title 2 Code of Federal Regulations, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" Chapter II, Part [§200](#) at al
- Title 20 CFR "WIOA; Final Rule," Section [683.200](#)
- Workforce Services Directive WSD[16-10](#), Property – Purchasing, Inventory, and Disposal (March 28, 2017)
- Workforce Services Directive WSD[16-16](#), Allowable Costs and Prior Written Approval (February 21, 2017)
- Workforce Services Directive WSD[16-05](#), WIOA Closeout Requirements (July 29, 2016)

**LOCALLY IMPOSED
REQUIREMENTS:**

Locally imposed requirements are identified in ***bold, italic*** type.

DEFINITIONS:

Capital Asset: capital assets are assets that are not available or cannot be made available to finance current operations.

Other Capital Assets: buildings, land and improvements to buildings or land that materially increase the value of useful life.

Capital Expenditure: expenditures for land or building improvements as well as building and equipment repairs or maintenance expenditures that increase the value of a capital asset or increase its estimated useful life are identified as capital expenditures in federal regulations.

Capital expenditure for equipment also means the net invoice price of the equipment including the cost of any modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.

Computer Software: considered to be non-expendable personal property.

Equipment: tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit, including all costs related to the property's final intended use.

Hardware: physical components of computer systems.

Information Technology: computer hardware and application/software, including licensing or subscriptions to software and software support services.

Intangible Property: property having no physical existence, such as trademarks, copyrights, patents and patent applications and property such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).

Intellectual Property: recognized protectable rights and interest such as: patents, copyrights, trademarks, service marks, etc. (also referred to as intangible property).

License Fee: payment for authorization allowing use of property, equipment or proprietary software.

Software: programs, procedures, data, and routines used, accessed, and/or stored by computers.

Subrecipient: a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program, but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

Subscription: refers to the regular remittance of pay for the licensed use of services, application/software, equipment, or property with a cost of \$5,000 or more per unit, or cumulative cost within a twelve-month period.

Supplies: all tangible personal property other than equipment. All items purchased in support of the day-to-day operations of a business that will be expended in less than one year or will be outdated or obsolete within one year. For example, office supplies or minor equipment costing \$100 or less, computer software not expected to be upgraded within a year and other consumables

A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

Procurement: includes all stages of the process of acquiring property or services, beginning with the process for determining a need for property or services and ending with contract completion and closeout.

Personal Property: property other than real property. It may be tangible, having physical existence or intangible.

Property: durable goods, equipment, buildings, installations, and land.

Types of Property			
Real	Tangible		Intangible
Land, including land improvements, structures, and property incident to the principal property (appurtenances) thereto, but excluding moveable machinery and equipment (not generally allowable under the WIA program)	Nonexpendable (Equipment)	Expendable (Supplies)	Without physical existence: patents, trademarks, or copyrights that are produced or acquired under the agreement
	Useful life of more than one year and a unit acquisition cost of \$5,000 or more.	Everything else.	

BACKGROUND:

Federal regulations require governmental entities, nonprofit entities, higher education institutions, and commercial organizations follow the Code of Federal Regulations Office of Management Uniform Administrative Requirements as they apply regarding the acquisition, title, use, and disposition of equipment and supplies purchased with federal grant funds. The intent is to ensure that purchases of property or licensing/subscriptions of information technology applications/software/services are approved, performed through fair and open competition, and managed according to proper inventory, maintenance, and disposition procedures. These regulations apply to both direct recipients of federal grants as well as subrecipients. In accordance with these regulations, the Riverside County Housing and Workforce Solutions – Workforce Development Division (HWS/WDD) establishes the following policy and procedures for property management.

POLICY:

The Housing and Workforce Solutions Workforce Development Division must request prior approval from the State Employment Development Department (EDD) to purchase property (equipment having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit including all cost related to the property's final intended use). All subrecipients must request prior approval from EDD via HWS/WDD Administration Unit staff. Subrecipients must follow the

procurement procedures outlined in the Procurement of Equipment and Related Services Policy #18-01.

Upon receipt of property, the subrecipient staff will acquire identification tag(s) from HWS/WDD and affix the identification to the equipment. Subrecipients is required to develop and maintain an inventory log, Fiscal Form 448-12 WIOA Property Inventory Log, to retained at their facility and be made available upon request.

PROCEDURES:

In order to satisfy federal and state procurement requirements, the following considerations must be made prior to requesting approval to direct charge WIOA funds for the purchase of property or licensing/subscription cost of \$5,000 or more per unit, or cumulative cost for a twelve-month period:

- 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? See “Cost Sharing Information” section if costs are being shared.
- Does the state already provide the item, service, or software being considered for rent, purchase, or subscription?

Prior Approval Process

A written request for approval to purchase equipment with an acquisition value of \$5,000 or more is required from the State of California Employment Development Department (EDD). All requests for purchase of property or equipment meeting the definition within this policy ***or the purchase, rent, licensing, maintenance fee, or subscription of information technology application/software/services with a per-unit or cumulative cost for a twelve-month period*** must first be submitted to HWS Workforce Development Division’s Administration Unit staff.

Budget Plans

Prior to the request for approval to purchase equipment, subrecipients must allocate in the budget if costs will be charged to one funding stream only or to multiple funding streams. HWS/WDD would maintain titleholder to equipment cost charged to multiple funding streams. Approval of the budget plan does not constitute approval of the subrecipient purchase request. A separate request must be forwarded to HWS/WDD for submission and approval by the state before authorizing the subrecipient to purchase equipment.

When EDD notifies HWS/WDD staff of approval and/or disapproval for purchases, a copy of the notification will be sent to the subrecipient. Only then will subrecipients be allowed to purchase equipment. After state provides approval to purchase, *Procurement of Equipment and Related Services Policy #18-01* must be followed.

Cost Sharing Information

When an entity plans to enter into a “cost sharing” agreement for the purchase of property with a per unit (or cumulative cost for a twelve-month period) purchase price or subscription cost of \$5,000 or more, they must obtain prior approval no matter the portion they plan to contribute. This is based upon direct guidance from the Department of Labor (DOL).

Leasing Considerations

The decision to rent or purchase personal property should be governed by considerations of economy. Considerations for leasing may differ by property type and according to market conditions. The length of the contract period of the lease should also be considered. Although leasing property with an option to buy is generally preferable to straight leasing, however for real property, administrative requirements make leasing the only option, with regard to real property, since purchase or construction of real property is not allowed under the WIOA program.

Note: All renovations, leasehold improvements, or tenant improvements on leased property are considered capital expenditures and are allowable only with prior approval from the state via HWS/WDD and only to make available reasonable accommodations and to provide physical and programmatic accessibility. Such capital improvements are only allowable when built into the lease and depreciated over the life of the building and not the lease. Subrecipients shall negotiate all improvements to be made by the landlord; no lease will contain base rents or separate tenant improvement amounts.

Capital Assets and Construction Costs

The WIOA Title I funds must not be spent on construction or purchase of facilities or buildings except under the following conditions, after obtaining prior written approval of the DOL Secretary. However, exceptions to that rule in which WIOA Title I funds can be used for construction include the following:

- To provide physical and programmatic accessibility and reasonable accommodation as required by the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990.
- To fund certain repairs, renovations, alterations and capital improvements of property, including:
 1. State Employment Security Agency real property, identified at WIOA Section 121, using a formula that assesses costs proportionate to space utilized.
 2. Job Training Partnership Act-owned property, which is transferred to WIOA Title I programs.
- Certain repairs, renovations, alterations, and capital improvements of property.
- Job Corps facilities, as authorized by Notice of Proposed Rule Making WIOA Part 686.
- YouthBuild programs under WIO Section 171(c)(2)(A)(i).
- To fund disaster relief employment on projects for demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within a disaster area.
- For any other projects the DOL Secretary determines are necessary to carry out WIOA Section 189(c).

Intangible and Intellectual Property

Subrecipients of a federal award obtain the title to intangible property once it has been acquired. The subrecipient must use the property for the originally authorized purpose and must not encumber the property without approval from DOL. Further, DOL has the right to obtain, reproduce, publish, or otherwise use the data produced under a federal award, and authorize others to receive, reproduce, publish, or otherwise use such data for federal purposes. (Uniform Guidance Section 200.315[a], [d]) In addition, DOL requires intellectual property developed under a competitive federal award process to be licensed under a Creative Commons Attribution license. This license allows subsequent users to copy, distribute, transmit, and adapt the copyrighted work and requires such users to attribute the work in the manner specified by the recipient (DOL Exceptions Section 2900.13).

Receipt of Equipment/Property

When equipment is received and signed by designated staff, a copy of the purchase order, receipt of goods, and packing list will be submitted with the monthly invoice for payment. Under no circumstances will HWS/WDD be responsible for any cost incurred by the subrecipient prior to receiving written authorization for approval of purchase. All equipment must be tagged with an HWS/WDD identification tag. The subrecipient and/or the HWS/WDD Administration Unit staff will have equipment inventoried, tagged, delivered, or stored immediately upon receipt.

Inventory Records

All equipment purchased under the terms of cost reimbursement or performance based contracts (exclusive of fixed price or performance based training contracts) perpetually remains the property of HWS/WDD. Subrecipients must maintain an inventory log of equipment and control, protect, and maintain the equipment in such a manner as to ensure its useful life as an asset. Should any equipment be damaged or lost under any circumstances, Fiscal Form [448-11](#) *Report of Lost, Stolen or Damaged Non-Expendable Personal Property* shall be completed, appropriate police reports shall be filed, and the awarding agency shall be notified within five days of the loss.

The subrecipient must keep accurate records of all equipment purchased with funds awarded by HWS/WDD. The inventory log or equipment records must include the following information:

- Description of the equipment
- Manufacturer's serial number, model number, or other identification number
- Funding source of the equipment, including agreement number and percentage of WIOA funds
- Vendor source, including vendor number
- HWS/WDD as title holder
- Acquisition date
- Condition of equipment
- Maintenance record
- Location
- Per Unit acquisition cost
- Disposition date (sale price, loss, theft, etc.)

A physical property inventory must be taken and reconciled with the property records at least once a year and submitted to the WDD Administrative staff.

At the end of every Program Year (PY) an updated inventory list must be submitted to the awarding agency for record reconciliation and to verify the existence, use and need for the equipment. Once the property has been identified and if further disposition is required, the request must be submitted in writing to HWS/WDD for state approval.

Transfer of Equipment/Property

Property may not be sold, removed or disposed of from the original location without prior notification and approval from the State via HWS/WDD. Transfer of property/equipment from one location to another should be communicated via Fiscal Form [448-13 Request for Transfer or Disposal of Excess/Unserviceable Non-Expendable Personal Property](#) and submitted to HWS/WDD. This information must be recorded on the inventory log and should list the condition of the equipment at the time of transfer.

Disposition of Equipment/Property

For equipment with a residual fair market value of \$5,000 or more, recipients of WIOA funds should take the following steps (2 CFR 200.313 (5) (e) (1) (2) (3) (4) :

- The recipient may use the equipment in the program or project for which acquired as long as needed, whether or not the project or program continues to be supported by federal funds.
- If the equipment is no longer needed by the original program/project, the recipient shall use the equipment in connection with its other federally sponsored activities. Priority should be given to programs funded by the DOL Employment Training Administration.
- If the equipment is no longer needed by the program/project or used in connection with other federally sponsored activities, the recipient may retain the equipment for other uses. If the equipment is/is not retained then compensation must be made for the WIOA federal funds used in the purchase. The amount of compensation shall be computed by applying the percentage of WIOA federal funds used in the purchase. If only WIOA federal funds were used for the purchase, then the percentage would be 100 percent. If both WIOA federal and local funds were used in the purchase, then use the WIOA federal funds percentage for the calculation. This percentage is applied to the fair market value or proceeds of the sale for the equipment. Recipients of subgrants are permitted to deduct actual reasonable selling and handling expenses (\$500 or 10 percent of the proceeds of the sale, whichever is less) from the proceeds of the sale. The balance of WIOA federal funds must be sent within 30 days to the address provided below. The name of the entity, agreement number, program year, and funding stream must be provided when submitting the funds.

Funds received from the sale of equipment should be sent to the following address:

Riverside County Workforce Development Division
Attention: Fiscal
1325 Spruce Street, Suite 110
Riverside, CA 92507

- If the recipient has no further use of the equipment and wishes to dispose of the equipment (other than selling the equipment), they must follow disposition instructions set below.

Property/equipment to be disposed of must be listed on Fiscal Form [448-13 Request for Transfer or Disposal of Excess/Unserviceable, Non-Expendable Personal Property](#), submitted and communicated to

HWS/WDD for disposition approval. All forms, yearly inventory reports, and requests for purchase approval and disposition approvals must be submitted to:

Stephanie Adams, Deputy Director
c/o Riverside County Workforce Development Division
1325 Spruce Street, Suite 110
Riverside, CA 92507

Calculation of "Fair Market" Value

The selling price of an item that is sold through auction, advertisement, or a dealer is the fair market value of the item, regardless of any prior estimates. An item that is not sold but retained by the entity has a fair market value based on similar items that are offered for sale, using the selling price if known. Methods for determining fair market value include, but are not limited to:

- Auction
- Classified advertisements for similar used items
- Dealers
- Licensed appraisers

For automobiles, trucks, and vans, the standard authority on the value of used vehicles is the Kelley Blue Book. Depreciated value is not "fair market" value, nor a determining factor in establishing the "fair market" value.

Property Records Retention

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

Inquiries

Please direct any questions or concerns regarding this Policy and Procedures to HWS Workforce Development Division's Administration Unit.

REVISION HISTORY:

Revision Dates: 05/21/25, 09/19/16, 11/02/15, 08/26/14
Original Policy Date: 3/29/04


Stephanie Adams, Deputy Director