

**SOP 15-11**  
**Property Management/Surplus Property Policy**  
**Standard Operating Procedures**  
**Grow Southwest Indiana Region 11**  
**Approval Date: 11/04/2015**

**Purpose**

To provide guidance regarding the management and surplus of all property purchased with Department of Workforce Development (DWD) funds.

**Rescission**

DWD Policy 2013, 01, Property Management/Surplus Property Policy  
Region 11 SOP 11-03

DWD Policy 2015-01 Property Management/Surplus Property Policy

**Action**

DWD Policy 2015-02 Property Management/Surplus Property Policy will be implemented in Region 11 as SOP 15-11.

## **CONTENT**

The below guidelines apply to the management and surplus of all property purchased with DWD funding. See definitions in Attachment A that apply to the below.

### **Part A – Grant Recipients:**

#### **State and Federal Guidelines – Property management standards for Grant recipient non-expendable personal property**

- In all cases, equipment purchases with a unit acquisition cost of \$5000.00 or greater require prior approval from the Chief Financial Officer of the Department of Workforce Development. Grant recipients must submit a Request Form for Assets over \$5000.00, Attachment B), along with the required information specified on the form to their respective DWD grant manager and DWD Management Services. The DWD grant manager will consult the grant contract to verify prior approval was written into the grant, or acceptable justification is provided, as appropriate. Once the DWD grant manager approves the request, they will send their approval to Management Services. If approvals from USDOL or USDOE are required, the form will be sent for approval from the required agency. When all levels of approval are complete, the approved Request Form will be sent back to the program that may then proceed in purchasing the item.
- Grant recipients should use the property in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award. When the property is no longer needed for the original program or project, the equipment may be used in other activities following the priority guidelines established in the federal Uniform Guidance.
- Grant recipients are required to maintain property records. All property with a unit acquisition of \$5000.00 or more (including shipping, set up, and support) will be recorded in that system, unless a lower dollar threshold is established by the respective DWD grant manager. If a lower threshold is established, those assets will be tracked separately from the assets greater than \$5000.00. These records must be maintained as long as the item is in service, (or until 10 years after the item has been listed as transferred or disposed). Any transfers of equipment ownership also include the transfer of responsibility and inventory reporting. The following will be recorded in the Region 11 system:
  - A description of the property;
  - A serial number and/or other identification number;
  - The source of funding for the property;
  - Title holder;
  - Acquisition date;
  - Cost of property;
  - Percentage of State and/or Federal participation in the project costs for the State and/or Federal award under which the property was acquired;
  - The location, use, and condition of the property; and

- Any ultimate disposition data, including the date of disposal and sale price of the property.

Grant recipients may use their own inventory system or the DWD Asset Inventory Form to maintain property records, unless the overseeing DWD grant manager requires the grant recipient to use the DWD form. Electronic copies of the DWD form can be requested by contacting the DWD Asset Manager.

- As required, a physical inventory of the property will be taken every year and the results reconciled with the property records. This completed inventory will be submitted to the DWD Asset Manager no later than October 31<sup>st</sup> each year. For tracking and reconciling of items less than \$5000.00, as may be required by the overseeing DWD grant manager, please contact the DWD grant manager for reporting instructions.
- Any difference determined by the physical asset inventory inspection and those shown in the property records will be investigated by the grant recipient to determine the reasons for the differences. It is the responsibility of the grant recipient to properly identify and provide documentation of any discrepancy between the actual physical inventory performed at each location and the official property records. All asset property will be accounted for, fully documented, or replaced by the responsible authority. Replacement value will be the undepreciated value of the property. The grant recipient will certify all assets are accounted for during the annual fixed inventory by signing the reconciled form and submitting along with any additionally required documentation to the DWD Management Services, Asset Manager.
- Examples of acceptable documentation include:
  - police report of any stolen property,
  - insurance reports for casualty to property,
  - signed approvals for property transfers to other grant recipients,
  - signed approval to transfer property to State Surplus or disposal using State Form 13812 Notification of Surplus State-Owned Property (See <http://www.in.gov/idoa/2365.htm> for a copy of the form listed under Resources for State Agencies).
- A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated and fully documented.
- Adequate maintenance procedure must be developed to keep the property in good condition.
- Property purchased with State and/or Federal funds may not be used in Fee for Service programs to provide services for a fee to compete unfairly with private companies that provide equivalent services.

- DWD representatives will review records and processes to ensure property records are properly maintained and that inventory is completed annually. In addition, some assets may be selected to be physically inventoried.

### **Disposal and Transfer of Equipment**

- Stated and Federal guidelines must be followed for the disposal of assets.
- The Indiana Department of Administration has implemented a policy that all data and programs must be removed from electronic storage media (e.g. computer, electronic tablets and notebooks, routers, firewalls, and switches) by State Surplus, IOT. Therefore, after prior approval, this equipment must be returned to State Surplus with a signed copy of State Form 13812.
- For disposition of computer-based supplies/equipment with memory, grant recipients must contact DWD Management Services, Asset Manager for disposition instructions.
- All costs associated with approved disposal or transportation of surplus property is the responsibility of the grant recipient.
- To transfer equipment over \$5000.00 in value to another grant recipient, notify the DWD Asset Manager for current requirements and processing instructions. For transfer of equipment less than \$5000.00, contact the overseeing DWD Grant Manager for current requirements and processing instructions.

### **Part B – DWD:**

#### **State and Federal Guidelines – Property management standards for DWD non-expendable personal property**

- When asset property is no longer needed by the agency, the DWD Manager must request disposition instructions from DWD Management Services, Asset Manager.
- All property purchases by DWD with a unit acquisition cost of \$500.00 or more (including shipping and support) will be marked with a DWD asset tag and entered into the state's asset system.
- Property with a unit acquisition of \$499.00 or less will not be tracked in DWD's Asset Management System. DWD tags will not be used to mark this equipment; however, managers are required to maintain an asset log to track this property at the local level. Asset logs are to be submitted to DWD Management Services, Asset Manager by January 31<sup>st</sup> annually or when requested. DWD's Asset Manager will retain this log and perform partial inventory of the items during each location's annual asset property inventory.

- A physical inventory is required on an annual basis for all property requiring a DWD Asset tag. The results will be reconciled with the property records and submitted to the DWD Asset Manager no later than July 31<sup>st</sup> each year. Per Auditor of State guidelines, DWD must submit a fully and certified inventory by August 15 of each year.
- Any difference determined by the physical asset inventory inspection and those shown in the accounting records will be investigated by the DWD Department Manager to determine the reasons for the differences. It is the responsibility of the DWD Department Manager to properly identify and provide documentation of any discrepancy between the actual physical inventory performed at each location and the official DWD Property Records. All asset property must be accounted for and fully documented. Failure to do so may result in disciplinary action. The DWD Manager will certify a complete inventory from DWD's Asset System and submit along with required documentation to DWD Management Services, Asset Manager.
- Examples of acceptable documentation include:
  - police and state incident reports of stolen property,
  - insurance reports for casualty to property ,
  - approvals for property transfers to other units,
  - signed approvals to transfer property to State Surplus, or
  - disposal using State Form 13812 Notification of Surplus State-Owned Property (see <http://www.in.gov/idoa/2365.htm> for a copy of the form listed under Resources for State Agencies).
- DWD Cost Center Managers should have a plan in place to ensure adequate safeguards to prevent loss, damage, or theft of the property (e.g. storing unused laptops in a secure location). Any loss, damage, or theft of non-expendable personal property will be investigated, fully documented [including a copy of State Incident Report (state form 54387 and a police report where appropriate)] and reported to DWD Management Services, Asset Manager and DWD Investigations and Security within ten (10) working days of the loss.
- Adequate maintenance procedure will be implemented by Cost Center Managers to keep the property in good working condition.
- Property purchased with Federal funds may not be used in Fee for Service programs to provide services for a fee to compete unfairly with private companies that provide equivalent services.

### **Disposition of Non-expendable Property**

- Once an item is no longer needed, disposition instructions will be requested from DWD Management Services, Asset Manager for all non-expendable property, regardless of the original cost or current value.

### **Surplus Property (with the exception of monitors and computer equipment with memory)**

- Any useable property will first be offered to other DWD Departments in the Workforce Service Area. If the property is transferred to any other department, documentation will be completed and sent to the DWD Asset Manager.
- If there is no interest in the property, the DWD Management Services, Asset Manager will be contacted for disposition instructions.

### **Disposal**

- All items requested for disposal must be determined by a Property Evaluator to be “broken beyond economical repair.” Upon approval by State Surplus through the DWD Management Services, Asset Manager, the property will be disposed within 30 days.
- The following rules for disposal apply:
  - Remove all DWD tags.
  - The property cannot be given or sold to employees, the public or other entities. This would mean the property does have market value and should be put through the sale process through the Department of Administration, Indiana State Surplus.
  - If instructed to dispose of locally, property may be taken to a recycling center, or if appropriate, it may be placed in the local office dumpster. If a dumpster is not available, the property must be either picked up by, or delivered to, a trash hauling firm, landfill, or dump. If there is a cost involved, the department requesting surplus of the items will pay for the disposal.
  - After disposal, the DWD tags and written verification as to the date and method of disposal must be submitted to DWD Management Services, Asset Manager, which will be retained and recorded in the Asset Management System.

### **Surplus for Monitors and Computer Equipment with Memory**

- Monitors cannot be disposed as other property. Monitors contain an environmentally toxic material and state agencies are prohibited from putting monitors in landfills, dumpsites, or dumpsters. After prior approval, monitors must be returned to State Surplus or taken to a recycling center for proper disposal.
- With regard to computer equipment with memory, the Indiana Department of Administration has implemented a policy that all data and programs must be removed from electronic storage media, (e.g., personal computers, electronic tablets, router, firewalls, and switches) by State Surplus, IOT. Therefore, after prior approval, this equipment must be returned to State Surplus.

- All costs associated with approved disposal or transportation of surplus property is the responsibility of the agency.

**Attachments:**

Attachment A: Property Management Definitions

## **Attachment A**

### **DWD Property Management Definitions**

**Real property:** Land, building, and improvements to buildings and structures, excluding movable machinery and equipment.

**Personal property:** Personal property of any kind except real property. It may be tangible (having physical existence) or intangible (having no physical existence such as patents, inventions, and copyrights, software, or licenses).

**Grant recipient non-expendable personal property:** Tangible personal property having a useful life of more than one (1) year and a unit cost of \$5000 or more per unit.

**DWD non-expendable personal property:** Tangible personal property having a useful life of more than one (1) year and a unit cost of \$500 or more per unit.

**Non-expendable personal component property:** Any part, feature, device, or constituent element, internal or external whose function is designed to support and/or enhance the unit's performance and is necessary to the operation of the unit as a whole. For example, a personal computer (a unit) consists of the component equipment of a monitor, central processing unit, keyboard, and any internal features.

**DWD Asset Management system:** People Soft Fixed Asset system to be used to track assets as required by U.S. Department of Labor and Indiana State Board of Accounts.

**Tags:** State of Indiana fixed asset inventory tags with bar codes that are issued by DWD Management Services, Asset Manager. Only tags beginning with '510' are to be used on new equipment.

**Surplus property:** any item of personal property, regardless of acquisition cost, that is no longer needed by a state agency or grantee. Disposition of such property must be obtained from DWD Management Services, Asset Manager.

**Property evaluator:** An employee identified by the Department of Workforce Development and trained in surplus property disposition.

**Transportation costs:** The dollar amount to have equipment or furniture delivered to a recycling center, Department of Workforce Development, or State Surplus.



**Attachment B**

**DWD Request Form for Assets over \$5000.00**

DWD Grant Number \_\_\_\_\_

Name of Grant and or Department \_\_\_\_\_

Manager Requesting Approval \_\_\_\_\_

Address where item will be Located \_\_\_\_\_

Description of Item to Purchase \_\_\_\_\_

\_\_\_\_\_

Relationship to Grant \_\_\_\_\_

Prior Approval per Grant or Budget \_\_\_\_\_ Yes \_\_\_\_\_ No

Verify procurement procedures and adhere to the Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200:

\_\_\_\_\_ Yes \_\_\_\_\_ No

Capital Expenditures/  
Equipment Cost \_\_\_\_\_

Continuing Cost \_\_\_\_\_

DWD Project Code or Grant  
Project Code \_\_\_\_\_

Please submit the following information along with your request:

- A brief narrative from the project director explaining why the purchase is necessary
- A reference to the Original Activity section and budget within the grant contract
- An Account Expenditure Report (AER) form documenting what funds have been drawn down to date, if any

The completed request must be forwarded to Dennis Palmer at Management Services, [dpalmer@dwd.in.gov](mailto:dpalmer@dwd.in.gov), and to your DWD grant manager to begin the approval process.

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*DWD Office Approval only:*

Grant or Department Approval \_\_\_\_\_ Date \_\_\_\_\_

Agency Approval \_\_\_\_\_ Date \_\_\_\_\_