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## **Purpose**

To establish requirements to ensure the assets of the organization obtained are properly managed and in compliance with relevant regulations.

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## **Policy**

PacMtn and its subrecipients of WIOA funds must adhere to the property management standards established in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Subpart D-Post Federal Award Requirements, Property Standards (2 CFR 200).

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## **Guidelines**

### **Asset Management and Inventory**

At a minimum, inventory management must address:

1. All equipment, furniture and other durable goods expected to last more than one year and have a value at or above \$1,000 shall be identified in an inventory and shall be tagged with identification naming the appropriate custodian/owner of this property based on the fund source.
2. Small, attractive items with a unit acquisition cost of \$300 to \$1,000, with a useful life of more than one year and more susceptible to theft will also be tagged and monitored.  
Examples include but are not limited to:
  - a. Smart phones;
  - b. Notebooks and laptops;
  - c. Tablets and;
  - d. Other portable communication and electronic devices.
3. Inventory shall be updated annually with those items surplus or disposed identified with the explanation for removing the item from the inventory. The PacMtn inventory shall include:
  - a. An item description;
  - b. The serial and model number or other identification number;
  - c. Source of the property, including grant or agreement number;
  - d. Whether title rests with that grantee, state or federal government, or other entity;
  - e. Acquisition date and cost;

- f. Percent of federal participation in the project that purchased the equipment;
  - g. Location, use, condition and date the information was reported;
  - h. The inventory number assigned to the item; and
  - i. Ultimate disposition data, including date of disposal and sales price or method of determination for current value will be included upon disposition.
4. Any damaged, stolen, or missing property must be reported to a member of the PacMtn executive team within 24 hours of having been identified as damaged, stolen or missing. The loss should be reported in writing in order to capture all pertinent information. The CEO or designee must notify appropriate authorities/interested parties immediately of damaged, stolen or missing property with an acquisition cost of \$1,000 or more.
  5. Any inventory item that has a remaining use but is no longer needed by the PacMtn will be surplus by offering it for sale or transferring the asset to an eligible organization that has identified a need for such item. Any inventory item that is no longer useful to PacMtn or any other organization must be disposed as solid waste. Electronic devices that may contain sensitive information will be cleaned prior to surplus or disposal. Disposition instructions will be obtained from the originating funders if equipment value is above \$5,000.

### **Depreciation**

PacMtn shall use the straight-line method to calculate depreciation as defined in the OFM State Administrative and Accounting Manual (SAAM) Section 30.20.70.b:

$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Asset Useful Life}}$$

Salvage value is an estimate of the amount that will be realized at the end of the useful life of a depreciable asset.

### **Useful Life for Capital Assets**

PacMtn and its subrecipients are required to use the useful life guidance through OFM shown in Schedule A, Capital Asset Commodity Class Code List and Useful Life Schedule (Section 30.50.10.a) for capital assets acquired in new condition. For energy efficient equipment and products, refer to the Addendum to Schedule A (Section 30.50.10.b). However, a shorter or longer estimated life may be used depending on factual circumstances, replacement policies, or industry practices. PacMtn and its subrecipients are responsible for establishing and utilizing an appropriate useful life for assets acquired in less than new condition based on the following criteria:

1. The useful life for leasehold improvements is the estimated service life of the leasehold improvements, or the remaining term of the lease, whichever is shorter.
2. The useful life for intangible assets acquired by contract generally should not exceed the period of the contract.

For depreciation purposes, the useful life of assets should be reviewed to ensure it has remained the same, and that no modifications have extended or altered the life of the asset. Impairment of assets or changes in contractual provisions may impact the useful life and remaining depreciation.

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## **References**

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2 CFR Part 200, Subpart D

2 CFR Part 200, Subpart E

2 CFR Part 200, Subpart F

ESD Policy 5407

OFM State Administrative and Accounting Manual, Section 30

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