NoRTEC Property Management Policy

Approval Date: August 31, 2000
Effective: July 1, 2000

In the event either the State of California or the Federal Government establishes standards more stringent than this procedure, the more stringent State or Federal standards shall apply. Please see the related NoRTEC Procurement Policy.

I. DEFINITIONS

A. 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.

B. Supplies - Tangible personal property having an acquisition cost of less than $5,000 per unit or useful life of less than one year.

C. Real Property - Land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

II. TITLE TO PROPERTY

A. Title to all property purchased with NoRTEC funds vests with NoRTEC.

III. ACQUISITION OF PROPERTY

A. EQUIPMENT

1. Equipment shall be purchased in accordance with the NoRTEC Procurement Policy and all applicable Federal and State requirements.
2. Equipment that is being replaced may be traded in or sold and the proceeds used to offset acquisition cost, subject to the prior approval requirements in the "Property Disposition" section of this policy.

B. REAL PROPERTY

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1. The purchase or construction of real property is specifically prohibited.

IV. USE OF PROPERTY

Property purchased with NoRTEC funds shall be used for the activity for which it was acquired. Only equipment necessary for the operation of NoRTEC programs may be purchased with NoRTEC funds.

While the equipment is being used for the project for which it was originally acquired, the purchasing entity may make it available for other uses that do not interfere with project work. First preference shall be given to other NoRTEC-sponsored projects; second preference to other federally-supported activities. Any user charges shall be treated as program income.

The equipment shall not be used to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services.

When no longer needed for the original project, the purchaser shall use the equipment in connection with its other federally-sponsored activities. Priority shall be given to activities sponsored by NoRTEC.

A control system must be developed to ensure adequate safeguards are established to prevent loss, damage or theft of property. Any loss, damage or theft must be immediately reported to NoRTEC. In the case of possible theft, a copy of a report made to the local law enforcement authorities must be provided.

All property purchased with NoRTEC funds must be maintained in a secure environment to avoid theft, and must be correctly and safely used to avoid unnecessary damage. All property purchased with NoRTEC funds must be adequately insured at its full replacement cost.

V. PROPERTY DISPOSITION

A. SUPPLIES

1. Unneeded supplies may be sold, donated, or disposed at the service provider's discretion.

B. EQUIPMENT

If the equipment's fair market value at the time of disposal is

$5,000 or more, prior approval for disposition is required from NoRTEC. Fair market value should be determined by a vendor of similar property, an appraiser or other legitimate, outside source. A certification of the property's value by the outside source must be documented. The proceeds from the sale of the equipment shall be returned to NoRTEC within 15 days. NoRTEC will forward the proceeds to the State of California within 15 days.

If the equipment's fair market value at the time of disposal is less than $5,000, prior approval from NoRTEC for disposition is not required. The equipment may be sold, donated, or disposed of at the Service Provider's discretion. Fair market value must be determined by a vendor of similar property, an appraiser or other legitimate, outside source. A certification of the property's value by the outside source must be documented. Proceeds from the sale or disposition may be retained by the service provider for any reasonable purpose in support of the goals of the Workforce Investment Act.

VI. <u>PROPERTY RECORDS</u>

A. SUPPLIES

NoRTEC does not require specific inventory records for supplies. However, sufficient records shall be maintained to determine the amount of unused supplies on hand. Service providers must establish adequate safeguards to prevent loss, damage or theft of supplies.

B. EQUIPMENT

Property Records for all equipment shall include:

1. Description of the item;
2. Manufacturer's name;
3. Model;
4. Serial number;
5. Acquisition date;
6. Unit acquisition cost (unit acquisition cost for inventory purposes does not include tax, installation, or transportation costs);
7. NoRTEC share of the cost.
8. NoRTEC Inventory tag number;
9. Physical location of the equipment;
10. Condition of the equipment;
11. Last inventory date;
12. Disposition data, including date of disposal, sale price, and the

method used to determine fair market value.

VII. <u>RECORDS RETENTION/REPORTING</u>

All property records will be maintained for a period of three years after final disposition of property.

VIII. <u>ANNUAL INVENTORY</u>

Each NoRTEC Service Provider shall conduct an annual equipment inventory. Every piece of NoRTEC equipment must be included. Inventory information shall be submitted by each Service Provider to NoRTEC on June 1 of each year. On-site monitoring visits will be conducted by NoRTEC to ensure the accuracy of the Service Providers' inventory. The following information shall be shown on the inventory sheets:

General Information:

1. Agency name;
2. Date of inventory;
3. Signature of the Administrator certifying to the accuracy of the inventory; For Each Piece of Equipment:

For Each Piece of Equipment:

1. Description of the item;
2. Manufacturer's name;
3. Model;
4. Serial number;
5. Acquisition date;
6. Unit acquisition cost (unit acquisition cost for inventory purposes does not include tax, installation, or transportation costs);
7. NoRTEC share of the cost.
8. NoRTEC Inventory tag number;
9. Physical location of the equipment;
10. Condition of the equipment;
11. Last inventory date;
12. Disposition data, including date of disposal, sale price, and the method used to determine fair market value.

IX. PROPERTY APPROVAL

1. The NoRTEC WIB and Governing Board will review and approve the annual NoRTEC Administrative Entity (AE) and WIB and Governing Board budgets, including line-items for property purchase. Thereafter, the WIB and the Governing Board authorize any increases/decreases in the total budget amounts. From time-to-time the NoRTEC WIB and Governing Board may also authorize special purpose expenditures which may include property purchases.
2. After the initial approval of the annual budgets, the WIB Finance Committee will review line item expenditures and modifications to the line items, and authorize property expenditures in excess of $50,000 per unit.
3. The AE will review and approve NoRTEC subcontractor property expenditures with an anticipated purchase price in excess of $5,000 per unit.
4. From time to time, the NoRTEC WIB will authorize the AE to expend up to a specified maximum dollar amount on property items or services to fulfill NoRTEC administrative or program needs. When such "blanket" authorizations are given, individual items and services do not require individual WIB approval.
5. From time to time, the NoRTEC WIB will authorize the receipt of funding for special projects that include procurement of property or services. When such "blanket" authorizations are given, individual items and services do not require individual WIB approval.
6. The WIB and the Governing Board are routinely informed of all AE expenditures at their regularly scheduled meetings.
7. The WIB Finance Committee will be informed of all NoRTEC subcontractor expenditures in excess of $50,000 per unit at their regularly scheduled meetings.