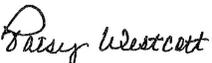


State of Alaska
Department of Labor and Workforce Development

Divisions: Employment and Training Services (DETS), Alaska Workforce Investment Board (AWIB)	Policy: 07-511.1
Subject: Property Management	Pages: 5
References: Americans with Disabilities Act of 1990; Section 504, Rehabilitation Act of 1973; 37 CFR Part 401 Patents, Trademarks, and Copyrights; 20 CFR Chapter V Employment and Training Administration; Code of Federal Regulations 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards	Effective: 2/3/2016 Revised: 8/17/2020
Approved:  _____ Louise Dean, Executive Director, AWIB	_____ 8/25/2020 Date
Approved:  _____ Patsy Westcott, Director, DETS	_____ 8/25/2020 Date

1. Parties Affected

This policy applies to subrecipients of public funds from the Alaska Workforce Investment Board (AWIB) and Division of Employment and Training Services (DETS).

2. Background

State and federal statute and regulation set requirements regarding the ownership, disposition, and treatment of real and personal property acquired in whole or in part with public funds.

3. Policy

Subrecipients of public funds will comply with the property management requirements set forth in this policy.

Real property requirements - With limited exceptions, the purchase or construction of real property is prohibited under AWIB/DETS public funded programs, unless certain conditions are met. These exceptions are:

1. expenses specifically authorized in advance by AWIB/DETS;
2. requirements for physical and programmatic accessibility and reasonable accommodation required by the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973, as amended;

3. repairs, alterations, and capital improvements of Job Centers and AWIB/DETS-owned real property; or
4. temporary or permanent buildings or facilities resulting from funded training activities.

The purchase or construction of real property using subaward funds requires the prior written approval of the AWIB Executive Director or DETS Director. Failure to obtain prior approval may result in any purchase or construction costs not being allowed and subject to repayment of public funds to the State of Alaska (SOA).

Non-expendable tangible personal property – equipment – a subrecipient must obtain written approval from the AWIB Executive Director or DETS Director prior to the purchase of equipment with a value of \$5,000 or more, even if the purchase of the equipment is included in a grant budget or budget amendment. Additionally, the following stipulations apply. A subrecipient:

1. must ensure the title to any equipment purchased with subaward funds vests to the SOA, subject to the conditions of this policy;
2. may use the equipment for intended purposes as long as it is needed for subaward projects or activities, even after the subaward end date;
3. may make the equipment available to other projects or activities supported by public funds provided that use does not interfere with the intended use of the equipment for the activities for which it was procured. First priority for the use of the equipment for other activities shall go to other AWIB/DETS-funded programs or projects;
4. must ensure all user fees received related to the equipment are reported as program income during the life of the subaward under which the equipment was purchased;
5. may not use the equipment in a manner that unfairly competes with private companies;
6. may not use equipment acquired with AWIB/DETS funds to provide services to other organizations for a fee that is less than fair market value for equivalent services for as long as the SOA retains vested interest in the equipment. Vested interest shall be retained until the property depreciates below \$5,000 in value;
7. must maintain records that include a description, serial number or other identification number, source of funding, who holds title, acquisition date, cost, percentage of cost funded by the subaward, location, use and condition, and any ultimate disposition data including the date of the disposal and sale price of the equipment;
8. must take a physical inventory of the property and reconcile the results with the property records at least once every two years and until such a time that the SOA vested interest has depreciated below the per unit value of \$5,000;
9. must develop a control system to ensure adequate safeguards to prevent loss, damage, and theft of the property. Any loss, damage, and theft must be investigated;
10. must develop adequate maintenance procedures to keep the property in good condition; and
11. must conduct any sale of the property to ensure the highest possible return.

If, after the subaward end date, equipment purchased with AWIB/DETS funds is no longer needed for its intended purposes or for other activities supported by AWIB/DETS, the following conditions apply:

1. If the equipment has a current per-unit fair market value of \$5,000 or more and a remaining useful life of one year or more, it may be retained or sold. If the equipment is sold, SOA must be compensated for its share of the proceeds from the sale. This share is determined by multiplying the current market value or the proceeds by the SOA share of the original acquisition cost of the equipment. SOA may take title or dispose of the equipment if the recipient does not take appropriate action;
2. If the equipment has a current per-unit fair market value of less than \$5,000 or a remaining useful life of less than one year, the recipient may keep, sell or dispose of the equipment with no obligation to the SOA;

When original or replacement equipment acquired under the subaward is no longer needed for the project or program prior to the subaward end date, the subrecipient must request disposition instructions from AWIB/DETS.

Expendable, tangible personal property – supplies – is expendable tangible personal property with a per unit value of less than \$5,000, and can include such items as personal computers, printers, other office equipment and furniture, as well as business and training supplies.

Upon acquisition, title vests with the subrecipient for supplies purchased with AWIB/DETS funds subject to the conditions set forth in this policy. The subrecipient shall maintain an inventory listing of all supplies purchased with AWIB/DETS funds with a per unit value of \$100 or more.

The subrecipient must maintain sufficient records to determine the fair market value of unused supplies on hand at the completion of the activities for which they were purchased. The subrecipient must compensate the SOA for its share of the residual inventory if the inventory is \$5,000 or more in aggregate value upon the completion of the activities and if the supplies are not needed for any other AWIB/DETS-funded programs or projects.

As long as the SOA retains an interest in the supplies, they are not to be used to provide services for a fee that is less than that charged by private companies for equivalent services.

Subrecipients of grants managed by AWIB must abide by [Support Services Limitations for Information Technology Supplies policy 100-2020](#).

Construction training activities that result in the construction or fabrication of items, including buildings or other tangible property, using federal or state public funds with a total cost of \$5,000 or more per unit that are not sold or otherwise disposed of during the term of the project must be reported on the Property Inventory Listing form provided by AWIB/DETS at close-out (see [Grant Closeout Policy 07-528](#)). AWIB/DETS will retain interest in the items or buildings

retained and sold or disposed of after the subaward end date. If the items, buildings, or other tangible property are sold during the period of a subsequent subaward, the proceeds must be counted as program income for the subaward during which they were sold.

Intangible personal property includes the following:

1. Copyrights

- (a) The subrecipient may copyright work developed, or for which ownership was acquired, under an AWIB/DETS subaward. For the purposes of this policy, AWIB/DETS maintains a royalty-free, nonexclusive and irrevocable right to reproduce, publish and otherwise use and authorize others to us for state or federal purposes any copyrighted work produced or purchased, in whole or in part, with subaward funds;
- (b) When such property is developed with the use of subaward funds, it must be made available to any AWIB/DETS subrecipient requesting to use copyrighted materials without a licensing fee. Incidental costs of reproduction, media, packaging, shipping, handling, etc., may be charged;
- (c) When such property is developed under a competitive federal award process, it must be licensed under a Creative Commons Attribution license which allows subsequent users to copy, distribute, transmit, and adapt the copyright work and requires such users to attribute the work in the manner specified by the recipient. [See 2 CRF Section 2900.13 – Intangible property.](#)
- (d) If the property was developed without using AWIB/DETS public funds but will be used for other funded activities, the developing organization may charge a license fee. The income realized from the sale or licensing of copyrighted materials is not considered program income unless specified in the AWIB/DETS subaward agreement;

- 2. Inventions and patents** – AWIB/DETS do not anticipate that any patents or inventions will be associated with subaward funds;
- 3. Data** – For the purpose of this policy, AWIB/DETS have the right to obtain, reproduce, publish or otherwise use data first derived with subaward funds and to authorize others to do the same for state or federal purposes;
- 4. Title, use and disposition** – Title to intangible property vests with the grant recipient upon acquisition. Use is restricted to the originally authorized purpose, and the grant recipient must follow the provisions for disposition and compensation to the SOA.

Rental costs of real property and equipment, subject to limitations described in this policy, are allowable to the extent that the rates are reasonable according to the following factors: rental costs of comparable property; market conditions in the area; alternatives available; life expectancy, condition, and value of the property leased.

Rental costs under “sale and lease back”, “less-than-arm’s-length” and “capital” lease arrangements are allowable only up to the amount that would be allowed had the grant recipient continued to own the property. Rental costs include expenses such as depreciation, maintenance, taxes, and insurance.

Rental for the purpose of a home office workspace of any commercial or residential property owned by a subrecipient is unallowable.

4. Definitions

- a) **Acquisition cost** is the total cost associated with the construction or purchase of a facility or equipment. For facilities, acquisition cost does not include the cost of the land upon which the facility stands. For equipment, acquisition costs include the cost of the equipment and any additions or accessories included at the time of purchase, including the cost of delivery to the place of use and any installation or set-up costs;
- b) **Equipment** is tangible, nonexpendable, 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 intended use;
- c) **Expendable** refers to items that are consumed in use and are not reusable;
- d) **Funds** are defined as any funding appropriated or authorized by the Alaska State Legislature;
- e) **Intangible personal property** is an item of value that is not physical, such as inventions, patents, data, publication, trademarks, or copyrights that are produced or acquired, in whole or in part, through the use of public funds awarded by AWIB/DETS;
- f) **Inventory list** is a continually maintained compilation of non-expendable and expendable tangible personal property, as described in this policy, owned by a subrecipient and which is updated when new property is received or when property is no longer available for use by the subrecipient;
- g) **Non-expendable** refers to items (e.g., equipment, furniture and tools) that are not consumed, and which retain their original identity and characteristics during their useful life;
- h) **Physical inventory** is a process of physically checking the continued availability of items of value by verifying that the items on an inventory list are physically present at a specified location and are in operable condition;
- i) **Prior approval** is documentation evidencing consent prior to incurring a specific cost;
- j) **Real property** is a physical item of value that has a long-term useful life, such as land, buildings and improvements, excluding movable machinery and equipment;
- k) **Subrecipient** is any person or entity that receives subaward funds from AWIB/DETS;
- l) **Tangible personal property** is a physical item of value that is either non-expendable equipment, or expendable supplies.