

<b>RURAL DEVELOPMENT PROJECT POLICIES AND PROCEDURES</b>	<b>Issued by:</b> RDP Statewide Program Officer- Maile Lu'uwai	<b>Policy No.:</b> <b>MAN 001</b>
	<b>Revised by:</b> Judy Moon Administrative Operations Supervisor	<b>Effective Date:</b> September 1, 2007
Subject: <b><i>Property Management</i></b>	<b>Approved by:</b> Lori Govaars RDP Statewide Coordinator	<b>Revision No.:</b> 1
		<b>Supersedes Policy:</b> N/A

I. **PURPOSE** To provide property management procedures for RDP staff.

II. **DEFINITION OF CAPITAL ASSET (EQUIPMENT)**

Equipment is defined as tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5000 or more per unit.

III. **DOCUMENTATION & REPORTING**

A. **Property Management**

1. University Decal Numbers. All equipment purchased with RDP funds shall be identified by a University of Hawaii (UH) control number. Designated RDP staff shall verify that the UH decal is physically affixed to the property. RDP is responsible for physically affixing the University decal to new acquisitions promptly.

Equipment Purchased on the islands of Kauai, Hawaii, and Oahu

The purchase of all equipment with RDP funds, must be reported to the RDP State office within 2 weeks of receipt of goods. A copy of the PO and all supporting documentation must be included. Once a UH decal has been assigned to that equipment, and an Acquisition Report (THDR030D) has been received by the fiscal officer for the custodian, a copy of each must be forwarded to the RDP State office within 2 weeks.

2. Physical Inventory. RDP will perform a physical inventory of equipment in accordance with UH inventory management procedures on an annual basis. The RDP Statewide Coordinator will designate RDP staff to conduct a physical inventory of equipment and results will be reconciled with the RDP and UH property management records.

When conducting the physical inventory, each item (including component parts) listed in the THMU300A, *Annual Inventory Verification Report* shall be located and examined.

At the time of inventory verification, the information contained in the THMU300A, *Annual Inventory Verification Report*, will be checked for accuracy. Any errors in property custodian, location, ownership code, SL account code and asset Fiscal Officer shall be reported to the Maui Community College (MCC) Fiscal Officer via the FMIS Form 74, *Equipment Transfer*, (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis74.pdf>).

All other asset information errors shall be reported by asset number via memorandum. The MCC Fiscal Officer will forward the documents to the UH Inventory Management

Section. The Inventory Management Section will use the equipment transfer form and/or memorandum to update the asset record.

3. Disposal: Any property that is damaged beyond economic repair, no longer useable or needed, or obsolete shall be disposed or transferred (see Transfer below). To dispose of property, FMIS Form 6, *Disposal Application* (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis76.pdf>) will be submitted to the MCC Fiscal Officer. The MCC Fiscal Officer will forward the form to the UH Inventory Management Section.
4. Transfer: If equipment is moved from one location to another, the property custodian must notify the RDP Statewide Coordinator within 30 days for proper recording. It is critical that the location of each asset be tracked. A FMIS Form 74, *Equipment Transfer*, (available at <http://www.fmo.hawaii.edu/FMIS/pdf/fmis74.pdf>) will then be completed and submitted to the MCC Fiscal Officer to ensure an accurate location is recorded. The MCC Fiscal Officer will forward the form to the UH Inventory Management Section.
5. Lost or Stolen Equipment. RDP will conduct an investigation and fully document loss, damage, or theft of equipment. If equipment cannot be found, an investigation and thorough search must be conducted. If equipment cannot be located or has been stolen, the following forms must be completed and submitted to the MCC Fiscal Officer: FMIS Form 76, *Disposal Application* and Form RMP-001, *State of Hawaii Report of Loss or Damage of State Property*. For stolen property, a police report must be completed and submitted. The MCC Fiscal Officer will forward the forms to the UH Inventory Management Section.
6. Found Property. Property that has been identified as missing or stolen, but is later found shall be reported by memorandum to the Inventory Management Section. The memorandum shall be submitted via the Fiscal Officer and shall include a complete description of the time, estimated value, location, the account code to which it should be added, and the circumstances surrounding the discovery.

**B. Documentation.** In compliance with Circular A-110 Subpart C.34.f. and 29 CFR 95.34, RDP property inventory records for equipment acquired with Department of Labor will include:

1. A description of the equipment.
2. Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
3. Source of the equipment, including the award number.
4. Whether title vests in the recipient or the Federal Government.
5. Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
6. Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
7. Location and condition of the equipment and the date the information was reported.
8. Unit acquisition cost.

9. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

#### **IV. TITLE**

In compliance with Circular A-110 Subpart C.34.f. and 29 CFR 95.34, title to equipment acquired by RDP with Federal funds shall vest in RDP subject to the following conditions:

- A. Service Fees.** RDP shall not use equipment acquired with Federal funds to provide service to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the federal government retains an interest in the equipment. User fees should be considered, if appropriate, and treated as program income.
- B. Use of Equipment.** RDP shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the grant officer. When no longer needed for the original project or program, RDP shall use the equipment in connection with its other federally, sponsored activities in the following order of priority:
  1. Activities sponsored by other DOL agency, which funded the original project, then
  2. Activities sponsored by other Federal awarding agencies
- C. Use of RDP Participants and Equipment.** RDP shall not allow program participants nor the equipment purchased with DOL funding to produce equipment for individuals or the community. This policy prohibits such actions regardless of the origin of supplies used in RDP training programs.

#### **V. SUPPLIES AND OTHER EXPENDABLE PROPERTY**

- A. Title.** Title to supplies and other expendable property is vested in RDP or its subrecipients upon acquisition. If there is a residual inventory of unused supplies exceeding \$5000 upon the termination and completion of the project or program and the supplies are not needed for any other federally sponsored project or program, RDP or its subrecipients shall retain the supplies for use on non-Federal sponsored activities or sell them, but shall, in either case, compensate the Federal government for its share.
- B. Service Fees.** RDP shall not use supplies to provide services to non-Federal outside organizations for a fee that is less than private companies would charge for equivalent purposes. 29 CFR 95.35.

#### **VI. REFERENCES**

OMB Circular A-110; 29 CFR 95.34; University of Hawaii Administrative Procedure A8.515.