

Property Management

CURRENT REVIEW PERIOD COVERED:	_____
PRIOR REVIEW PERIOD:	_____

ENTITY MONITORED:	_____
NAME OF MONITOR:	_____
START DATE:	_____
EXIT DATE:	_____
DATE WORKPAPERS SUBMITTED FOR REVIEW:	_____
Supervisor Review:	
REPORT ISSUE DATE:	

Table of Contents

Section II – Financial Monitoring

Property Management

	Page
Objectives, Review and Procedures	3
Exhibit 1 – Copy of LWIA Policies & Procedures	
Exhibit 2 –Entity’s Inventory List – Equipment and Other Property	
Exhibit 3 – Physical Equipment Inventory Sample	5
Exhibit 4 – Physical Other Property Inventory Sample	6
Exhibit 5 – Post Review Survey	7-8
Exhibit 6 – Entrance/Exit Conference	9
Exhibit 7 – Monitor’s Narrative	10
Exhibit 8 – Copy of Final Report	

Property Management Review
_____ LWIA

Objectives

To determine if entity:

- ❖ Maintains property management records that provide detailed information on each piece of equipment and other property.
- ❖ Conducts a physical inventory and reconciles results with property management records at least once every two years
- ❖ Has a control system in place to ensure adequate safeguards to prevent loss, damage or theft of the property
- ❖ Has adequate maintenance procedures to keep the property in good condition

Review

- One Stop Comprehensive Financial Management Technical Assistance Guide - WIA - Chapter 11
- Prior Property Management monitoring workpapers and reports.
- OMB Omni-Circular, 2 CFR Part 200; specifically, 200.12, 200.20, 200.33, 200.48, 200.58, 200.58, 200.78, 200.79, 200.82, 200.85, 200.89 200.94 and 200.439.
- OMB Omni-Circular 2 CFR 200.302 Financial Management: (4) Effective control over, and accountability for **property** and other assets. The non-Federal entity must adequately safeguard all assets and assure they are used solely for the authorized purposes. 200.303 Internal Controls: (e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

NOTE: TEGL 15-14 (dated 12/19/14) stated that LWIAs may follow the old rules even after 12/26/14. Page 1, the TEGL specifically refers to WIA; the TEGL then states that the LWIA must apply the new super circular rules to all funds received on or after 12/26/14, but may apply the old rules to funds received prior to 12/26/14. The TEGL, however, “strongly encourages all grantees to shift on December 26, 2014, to follow the new Uniform Guidance and immediately update policies, procedures, and systems in accordance with the Uniform Guidance.”

Procedures:

Please note: If in lieu of paper documentation, the agency maintains electronic copies in accordance with their policies and procedures, this is acceptable.

1. Contact the entity’s staff to arrange an on-site visit. If an entrance conference is held, note the details of the meeting on Exhibit 6.
2. Review the entity’s Property Management policies and procedures. Include a copy and label as Exhibit 1. Review what the entity’s property policies and procedures state as the definition and dollar amount

threshold for both equipment and any other types of property items. Include this information in the report letter. For examples:

- **Equipment matches federal definition** – “Consistent with the federal definition of equipment, the fiscal agent’s property management policy defines equipment as 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 with a physical inventory conducted at least once every two years.”
 - **Equipment is defined at a lower threshold and more frequent inventory** – “The fiscal agent’s property management policy defines equipment as tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of \$2,500 or more per unit with a physical inventory conducted annually. This entity’s definition sets a lower threshold than the federal definition of \$5,000 or more per unit, and a higher physical inventory frequency than the federal definition of at least once every two years. For purposes of this review we will use the entity’s definition and frequency.”
 - **Other types of property items defined in policy** – “Additionally, the fiscal agent’s property management policy also defines supplies as all tangible personal property other than equipment. For example, a computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.
 - **Computing devices** means machines used to acquire, store, analyze, process and publish data and other information electronically, including accessories for printing, transmitting, and receiving or storing electronic information.
 - **Information technology systems** mean computing devices, ancillary equipment, software, firmware, and similar procedures, services, and related resources.
 - **General purpose equipment** means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment and motor vehicles.
 - **Intangible property** means property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans notes, and other debt instruments, lease agreements, stock, and other instruments of property ownership.
 - **Note: the above types of property are given for use as examples and are only “required” if that entity’s has that type of property which then should be defined within their policies and procedures for accountability purposes. For effective internal controls, (OMB Omni-Circular 2 CFR 200.62 (2)) the entity is required to maintain accountability over assets. And (OMB Omni-Circular 2 CFR 200.303) this new section of the guidance makes explicit non-Federal entity responsibilities for safeguarding protected personally identifiable information and information designates as sensitive. This new language will result in stronger policies for protecting this information across Federal Awards. This new guidance may result in the entity’s need to develop additional policies and procedures relating to their property.**
3. Obtain a copy of the entity’s current property inventory lists. A list is required for each type of property in the entity’s property management policy. Label as Exhibit 2.

4. Scan cash disbursement journals or equivalent to ensure that any property purchased since the last review has been added to the inventory list. Be sure to note results in Exhibit 7.
5. Outline what procedure the entity follows to dispose of property. How does the disposal procedure compare to the requirements outlined in regulations? Check to see if the entity has disposed of any property since the last review. If so, determine if the disposition follows local policies and procedures and that the property has been removed from the inventory list. Note the results in Exhibit 7.
6. Select a sample from the entity's current inventory lists and perform a physical inventory, Label as Exhibit 3 (for Equipment) & 4 (other Property items). Note what dollar amount threshold was used for each type of property that needs to be accounted for. Compare the thresholds used to develop the lists to the thresholds outlined in their Policy and Procedures. Note any differences in Exhibit 6. Note any discrepancies in comment section and outline your results in Exhibit 7.
7. Based on your observations, discussions with staff, review of policies and procedures, sampling and analysis, complete the Post Review Survey --Exhibit 5. Be sure to comment on any questions answered "No" and outline whether these will be report findings, citing the required regulations. If no finding, state the reason why if the question was answered as "No".
8. Prepare a narrative summarizing your monitoring visit. The narrative should include the following details: The thresholds placed by the entity for equipment; the thresholds placed by the entity on all other property that falls below the equipment threshold; description of how the entity keeps track of all property regardless of value, and detail of all exceptions found. Note any technical assistance provided, corrective action recommended and/or issues requiring immediate attention; label as Exhibit 7.
9. Arrange and conduct an exit conference; note details of the meeting on Exhibit 6, including the tone of the meeting (such as co-operative, resistant, or a combination of both depending on the issue) and all discussions including any findings and recommendations and any agreements reached with the entity.
10. Prepare and issue the report after supervisor review. Include a copy and label as Exhibit 8.
11. Follow up within 30 days after issuance of the letter if corrective action is required.
12. Write up the results of the follow up and issue a letter on the status of the entity's corrective action. Include the write up as a supplement to Exhibit 7. Include any additional work papers to document the corrective action.

Post Review Survey

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
1. Does the entity have written property management Policies and Procedures? (Reference OMB Omni-Circular, 2 CFR Part 200)	_____	_____	_____
If yes, does the entity have descriptions, policies and procedures for the various types of property and how to safeguard each type to prevent loss, damage or theft? Describe here:			
a. Capital assets: _____ (200.12)			
b. Equipment: _____ (200.33)			
c. Computing devices: _____ (200.20)			
d. General Purpose Equipment: _____ (200.48)			
e. Information Technology systems: _____ (200.58)			
f. Intangible Property: _____ (200.59)			
g. Special Purpose equipment: _____ (200.89)			
h. Supplies: _____ (200.94)			
i. Real Property: _____ (200.85)			

If no Policy is found, what recommendation will be made regarding the lack of written policies and procedures for the items as follows: _____

2. For property, does the entity's policies and procedures address: (Reference, 2 CFR 200.313 and 200.314)	<u>Yes</u>	<u>No</u>	<u>N/A</u>
a. The taking of a physical inventory of equipment at least once every two years? (200.313)	_____	_____	_____
b. Providing adequate safeguards to prevent loss, damage or theft of equipment? (200.302/313)	_____	_____	_____
For example: Does their insurance require a property list? Explain how the property is safeguarded with examples from the entity's Policies and Procedures: _____ _____			
c. The adequate maintenance of equipment and other property as outlined in their policies?	_____	_____	_____
d. The proper sale or disposition of equipment as required? (200.313)	_____	_____	_____
e. The proper sale or disposition of supplies as required? (200.314)	_____	_____	_____

	<u>Yes</u>	<u>No</u>	<u>N/A</u>
f. Is staff formally assigned to the duty of Property management within the entity's Policy and procedure?	_____	_____	_____
If yes, list staff assigned: _____			
3. Do the property management records provide for the following information on each piece of equipment? (200.313)			
a. Description?	_____	_____	_____
b. Serial Number?	_____	_____	_____
c. Funding source? Also, in case of joint Ownership, is the situation noted?	_____	_____	_____
d. Acquisition date and cost?	_____	_____	_____
e. Location of equipment (was it correct)?	_____	_____	_____
f. Date last inventory was taken? _____	_____	_____	_____
Note: The date should be _____ Date formally stated on the inventory record and state who did the inventory.			
g. Disposal date and sale price for all items disposed of?	_____	_____	_____
h. Method of disposition? (i.e. Sold, surplus, etc.)	_____	_____	_____
4. Is equipment tagged?	_____	_____	_____
5. Is the entity aware that NYSDOL approval is required for equipment with an acquisition cost of \$5,000 or more per unit?	_____	_____	_____
6. Does the entity have procedures that outline how to document requests for items with an acquisition cost of \$5,000 or more per unit?	_____	_____	_____
Note in Exhibit 1 where this is listed: _____			
7. Have all new purchases been promptly entered in the Property Management records system?	_____	_____	_____
8. Has all equipment/property disposed of been promptly removed from the current inventory list?	_____	_____	_____
9. Does the entity provide adequate insurance coverage on their property? (200.310)			
Note: entity must provide the equivalent Insurance coverage for equipment as provided by non-federal sources. i.e. Book value or replacement value.	_____	_____	_____
10. Does the insurance policy require a list of items that are insured by the policy?			
If yes, has a list been provided and is that list up-to-date?	_____	_____	_____
11. If any loss, theft or damage has occurred:			
a. Is there documentation available that indicates prompt reporting of the incident to authorities?	_____	_____	_____

- b. Have appropriate insurance awards been recovered? _____
 - c. Has equipment been repaired and/or replaced? _____
 - d. Have incidents been recorded in the Property Management records? _____
 - e. Has the NYSDOL been notified of the loss of any Property pre-approved by NYSDOL as outlined in OMB 2 CFR 200.439 for any property with a cost that was over \$5,000? _____
- Notification Date: _____

Entrance Conference

Date: _____

Attendees:

Name

Job Title

Subjects Discussed:

Exit Conference

Date: _____

Attendees:

Name

Job Title

Subjects Discussed:

Monitors' Narrative