MASSHIRE | DEPARTMENT OF CAREER SERVICES

Workforce Issuance

100 DCS 01.109.1 ☑ **Policy** ☐ **Information**

To: MassHire Workforce Board Chairs
MassHire Workforce Board Directors
MassHire Career Center Directors
MassHire Fiscal Officers
MDCS Operations Managers

cc: WIOA State Partners

From: Beth Goguen, Director
MassHire Department of Career Services

Date: April 3, 2026

Subject: **Property Management Requirements**

Purpose: To notify MassHire Workforce Boards, MassHire Career Center Operators and other local workforce partners of policy guidance with respect to property management requirements for each subrecipient for Federal and State programs administered by the MassHire Department of Career Services (MDCS), including Workforce Innovation and Opportunity Act (WIOA) programs.

Policy Revision: The acquisition cost of property inventory is increased from $5,000 to $10,000 for grants awarded on or after October 1, 2024, consistent with 2 CFR 200.439

Background: The WIOA Regulations at 2 CFR 200.310 through 200.316 contain the requirements for the acquisition, disposition, and management of property.

Policy: All property purchased with WIOA Title I grant funds shall be

An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.
TDD/TTY 1-800-439-2370 - Voice 1-800-439-0183

maintained and managed in accordance with the federal regulations at 2 CFR 200.

Action Required: All operators are required to use, manage and dispose of equipment acquired under a grant provided by MassHire Department of Career Services (MDCS) in accordance with this policy. All operators must incorporate this policy into their operating and accounting procedures.

Effective: Immediately

Inquiries: Please email all questions to PolicyQA@mass.gov. Also, indicate Issuance number and description.

References:
2 CFR 200.310-200.316
2 CFR 2900.13
20 CFR 200.439
20 CFR 683.200
20 CFR 683.235
20 CFR 683.240

PROPERTY

REAL PROPERTY

Real property means land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

The rules for the title, use and disposition of real property are established at 2 CFR 200.311-312 and are described as follows:

· The acquiring entity has the right to use of the real property "for the originally authorized purposes as long as needed for the (sic) purpose," but the entity does not have a right to dispose of or encumber (such as a mortgage) its title or other interests without State input.

· When the property is no longer needed for the originally authorized purpose, the entity with title will request disposition instructions from MDCS (MassHire Department of Career Services).

PURCHASE

Subrecipients may not use WIOA funds to acquire Real Property without the prior approval of MDCS. Any subrecipient that owns Real Property must request disposition instructions from MDCS prior to disposing of such items, and MDCS will discuss disposition instructions with the U.S. Department of Labor (USDOL).

Construction or Purchase of Facilities or Buildings

The Uniform Guidance at 2 CFR 200.439(b)(3) prohibits the use of WIOA Title I funds for construction or purchase of facilities or buildings or other capital expenditures for improvements, except with prior approval of MDCS. Under the statue, WIOA Title I funds can be used for construction only in limited situations:

(a) To meet a recipient's, as the term is defined in 29 CFR 38.4, obligation to provide physical and programmatic accessibility and reasonable accommodation, as required by Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as amended.

(b) To fund repairs, renovations, alterations and capital improvement of property, including:

(1) SESA real property, identified at 20 CFR 683.240, using a formula that assesses costs proportionate to space utilized;

(2) JTPA/WIA property which is transferred to WIOA Title I programs;

(c) Youth Build programs under WIOA sec. 171(c)(2)(A)(i);

(d) To fund disaster relief employment on projects for demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed structures, facilities, and lands located within a disaster area (WIOA sec.170(d)); and

(e) Other projects that the Secretary determines necessary to carry out WIOA, as described under WIOA sec. 189(c).

DISPOSITION

In disposing of real property, the awarding agency will require one of the following options:

· Retention of Title - retention of title after compensating the awarding agency. The amount paid to the awarding agency will be computed by applying the awarding agency's percentage of participation in the cost of the original purchase to the fair market value of the property. However, in a situation where a grantee or subgrantee is disposing of real property acquired with WIOA funds and acquiring other real property to be used for the WIOA program, the net proceeds from the disposition may be used to offset the cost of the replacement property.

· Sale of Property - sell the property and compensate the awarding agency. The amount due to the awarding agency will be calculated by applying the awarding agency's percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and repair expenses. If the grant is still active, the net proceeds from sale may be offset against the original cost of the property.

· Transfer of Title - transfer title to the awarding agency or to a third party designated or approved by the awarding agency. The grantee or subgrantee shall be paid an amount calculated by applying the grantee's or subgrantee's percentage of participation in the purchase of the real property to the current fair market value of the property.

EQUIPMENT

All funds authorized in Title I of WIOA (and Wagner-Peyser) must be expended on only American-made equipment and products as required by the Buy American Act (41 U.S.C. 8301-8305).

The definition of equipment is "tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $10,000." The basis for determining acquisition cost is described at 2 CFR 200.2. Unit cost is also applicable to identical items that are procured in lump sum quantities and the aggregate unit amount that exceeds $10,000.00.

Any personal property item with acquisition cost of $10,000 or more per unit and a useful life of more than one year is considered equipment that is covered under this policy. Acquisition of

equipment with a cost of $10,000 or more must be approved in writing by MDCS prior to purchase (see attached Request for Approval). The acquiring entity must use the equipment in the program or project for which it was acquired as long as it is needed. When no longer needed for the original program or project, the equipment may be used in other MDCS funded programs or projects.

During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs funded through MDCS; second preference shall be given to projects or programs funded through other Federal programs. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal awarding agency. User charges shall be treated as program income.

The equipment cannot be used to provide services 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.

On a fee-for-service basis, employers may use local area services, facilities, or equipment funded under Title I of WIOA to provide employment and training activities to incumbent workers:

- When the services, facilities, or equipment are not being used by eligible participants;
- If their use does not affect the ability of eligible participants to use the services, facilities, or equipment; and
- If the income generated from such fees is used to carry out programs authorized under this title.

With the approval of MDCS, the acquiring agency may trade in or sell equipment and use the proceeds to purchase replacement equipment. If the equipment is no longer needed for MDCS funded programs or projects, the acquiring entity must contact MDCS for disposal instructions.

The acquiring agency must meet the following minimum management standards:

- Equipment records must be maintained that include the following data on each piece of equipment: description; serial number; Contractor/Source of Property; title holder; acquisition date and cost; percentage of Federal or State participation in the cost; Federal or State funding stream; location, use and condition of the property; and, any ultimate disposition date including date of disposal and sale price. See enclosed sample property inventory form.
- A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years. Any differences between quantities

determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

- A control system must be developed to ensure adequate safeguards to prevent any loss (including acts of nature such as floods and earthquakes), damage, or theft of the property. If the government participated partially or wholly in the acquisition of the equipment the recipient shall promptly notify MDCS.

- Adequate maintenance procedures must be developed to keep the property in good condition.

- If property is sold (see disposition section), proper sales procedures must be established to provide competition to the extent practicable and result in the highest possible return.

FEDERAL EQUIPMENT

2 CFR 200.312 states that if a grantee or subgrantee uses federally owned equipment, title will remain vested in the Federal government, and Federal agency rules will apply to its use, management, and disposition. Federal equipment is not expected to be made available for WIOA activities or other MDCS funded programs.

SUPPLIES

Supplies mean all tangible personal property other than equipment, including costs of computing devices.

Title to supplies and other expendable property acquired under a federal grant or subgrant vests in the recipient or subrecipient respectively, upon acquisition. If there is a residual inventory of unused supplies exceeding $10,000 in aggregate fair market value when the award is terminated or completed and if the supplies are not needed for any other MDCS funded program or project, the recipient shall retain the supplies for use on non-federal sponsored activities or sell them. In either case, the grant through which the supplies were purchased shall be compensated for the federal share of the supplies.

Recipients may not use supplies acquired with federal funds to provide services to non-federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by federal statute, as long as the federal government retains an interest in the supplies.

COPYRIGHTS

1. The recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. The Federal awarding agency reserves a

royalty-free, nonexclusive and irrevocable right to reproduce, publish, and otherwise use, and authorize others to do so.

2. Recipients are subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contract and Cooperative Agreements."

3. The Federal Government has the right to obtain, reproduce, publish or otherwise use the date first produced under an award and to authorize others to receive, reproduce, publish, or otherwise use such data for federal purposes.

4. The Department of Labor requires intellectual property developed under a competitive Federal award process to be licensed under a Creative Commons Attribution license. This license allows subsequent users to copy, distribute, transmit and adapt the copyrighted work and requires such users to attribute the work in the manner specified by the recipient.

Note: The Federal right in this instance "passes through" to contractors. Both subrecipients and contractors must include in their contracts a clause giving notice of the above requirements.

OTHER INTANGIBLE PROPERTY

Title to intangible property and debt instruments acquired under an award or subaward vests upon acquisition in the recipient. The recipient shall use that property for the originally authorized purpose, and the recipient shall not encumber the property without approval of MDCS. When no longer needed for the originally authorized purpose, the recipient must contact MDCS for instructions for disposition of the intangible property.

Research data relating to published research finds produced under an award that were used by the Federal Government in developing an agency action that has the force and effect of law may be requested by the Federal awarding agency. Upon such request, the recipient shall provide, within a reasonable time, the research data so that it can be made available to the public through the procedures established under the Freedom of Information Act (FOIA). If the Federal awarding agency obtains the research data solely in response to a FOIA request, the agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the agency, the recipient, and applicable subrecipients. This fee is in addition to any fees the agency may assess under the FOIA (5U.S.C. 552(a)(4)A).

Awards to both subrecipients and contractors involving the use or development of computer programs or applications, or the maintenance of data bases or other computer data processing programs (including the inputting of data), must include a clause stating that the awarding agency and DOL have unlimited rights to data first produced or delivered under the agreement, and to authorize others to do the same for Federal purposes.

Property Trust Relationship. Real property, equipment, intangible property and debt instruments that are acquired or improved with Federal funds shall be held in trust by the recipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved. Recipients must record liens or other appropriate notices of records to indicate that personal or real property has been acquired or improved with Federal funds and that use and disposition conditions apply to the property.

COMMERCIAL RECIPIENTS AND SUBRECIPIENTS

Title. Property acquired or produced by a subrecipient that is a commercial organization, shall vest in the awarding agency, provided such agency is a governmental entity or non-governmental organization that is not a commercial organization. Property so acquired or produced shall be considered to be acquired or produced by the awarding agency and regulations pertaining to the awarding agency's status (State and governmental subrecipients or non-governmental non-profit subrecipients) shall apply to that property. If the awarding agency is also a commercial organization, title shall vest in the higher level, non-commercial awarding agency that made the subaward to the commercial subrecipient.

OTHER PROPERTY MANAGEMENT CONSIDERATIONS

Property/Equipment Use by Subrecipients. Subrecipients shall not fund property/equipment acquisitions under the terms of a contractual agreement unless absolutely necessary. In such cases, the subrecipient administering the funding shall take possession of the property at the end of the program or project and shall include the property in its property inventory records. The awarding agency must establish title and compensation rights to property.

Property transferred to WIOA from WIA, JTPA and CETA Programs is subject to the disposition and compensation provisions of 2 CFR 200.311.

General Guidance Regarding Leasing. Interest costs associated with Capital leases and other lease purchase arrangements are allowable so long as they are reasonable and allocable to the grant.

The decision to rent or buy needs to be governed by considerations of economy. Considerations may differ by property type and according to market conditions. Thus, leasing with an option to purchase is generally preferable to straight leasing.

Subject to provision of 2 CFR 200.465, subrecipients may not rent or lease their own personal property to the WIOA program or lease from other activities in which they have a vested interest, or which have a vested interest in them.

Requesting Entity:
Fund Source:
Date of Request:

Request for Approval of Equipment Purchase of $10,000.00 or More

1. Description of Equipment: (Include quantity, price, etc.)

2. Justification of Need:

3. Certification: I hereby certify that the item(s) of equipment requested is/are necessary for effective training in the WIOA program and is/are not available from existing inventory. The purchase of the above item(s) will be made in strict compliance with the State Bid Law, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR200.317-325, and effective WIOA regulations.

This equipment will be used in support of WIOA activities and will be managed in compliance with Property Management Standards, Uniform Administrative Requirements, Cost Principles, and Audit Requirements at 2 CFR Section 200.313 Equipment and the latest version of the requesting entity's Property Management Manual Standard Operating Procedures.

Certifying Official's Signature/Title: _____

Date: _____

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MassHire Department of Career Services (MDCS)

This request is: _____ Approved _____ Disapproved

Remarks:

MDCS Authorized Signature: _____ Date: _____

MASSHIRE DEPARTMENT OF CAREER SERVICES

COMPREHENSIVE PROPERTY INVENTORY

Operator: _____ Date: _____ Date of Last Physical Inventory:

A complete property listing of all items with a value of $10,000.00 or more and a useful life of one year or longer must be maintained. The list must include all items purchased with funds from programs administered by the MDCS. Items purchased after July 1, 1992 must include all information.

Description	Serial Number	Tag Number	Contractor Source of Property	Purchas Date	Fair Market Value of Property	% of Federal or State Funds	Federal or State Funding Stream	Specific Location of Property	Use & Condition of Property	Disposition

1. I certify that the above property inventory list contains all property having a value of $10,000 or more where USDOL and/or the Commonwealth of Massachusetts reserves the right to take title. This list includes property purchased under the Workforce Innovation and Opportunity Act.

Authorized Signature _____ Date _____ Typed Name and Title_____

2. I certify that no property having a value of $10,000 or more was purchased with federal funds. Therefore, we (grantee) have no further obligation to USDOL or the Commonwealth of Massachusetts.

Authorized Signature_____ Date_____ Typed Name and Title _____