

LAKE MICHIGAN AIR DIRECTORS CONSORTIUM

**PROPERTY MANAGEMENT POLICY
MANUAL**

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TABLE OF CONTENTS

I. INTRODUCTION	3
II. DEFINITIONS OF PROPERTY	3
A. Real Property	3
B. Personal Property	3
C. Equipment	3
D. Supplies	3
E. Property Trust Relationship	3
F. Non-LADCO Property	4
III. PROPERTY MANAGEMENT and RECORD-KEEPING	4
A. Responsibilities	4
B. Recordkeeping	4
IV. INVENTORY PROCEDURES	5
A. Frequency of Inventories	5
B. Parties Responsibility for Inventories	5
C. Property to be Inventoried	5
D. Current Utilization of Inventoried Property	5
E. Reporting Loss of Federal Owned equipment	5
V. MAINTENANCE	
A. Policy	5
B. Responsibility for Maintenance	5
C. Documenting Maintenance	6
D. Warranties	6
E. Insurance	6
VI. STAFF PROVIDED PROPERTY	6
VII. LOANED PROPERTY	6
VIII. PROPERTY PURCHASED WITH NON-FEDERAL FUNDS	7
IX. PROPERTY DISPOSAL PROCEDURES	7
A. General Policy	7
B. EPA Funded Equipment	7
C. Transfer of Title	7
ATTACHMENT A - Property Control Log	8
ATTACHMENT B - Personal Property Receipt Form	9
ATTACHMENT C - Loaned Property Form	10
ATTACHMENT D - Transfer of Title	11-12

I. INTRODUCTION

The purpose of this manual is to establish the policies and procedures of the Lake Michigan Air Directors Consortium (LADCO) to ensure safeguards for and prevent loss, damage, or theft of its property. It is the responsibility of all LADCO employees to comply with the policies and procedures in this manual. It is the responsibility of the Executive Director to ensure that these policies and procedures are implemented.

If necessary, then the Board of Directors may appoint a person (or persons) to investigate any loss, damage, or theft of property. Any such investigation shall be fully documented.

II. DEFINITIONS OF PROPERTY

In classifying property, whether funded with federal or non-federal funds, LADCO shall be consistent in its use of terminology. For the sake of clarity and convenience, LADCO's terminology will be consistent generally with that used by the federal government.

A. Real Property

Real property means land, including land improvements, structures, and appurtenances thereto, but excludes movable machinery and equipment. The U.S. Environmental Protection Agency's (EPA) implementation (40 CFR 30, §30.32) of OMB Circular A-110 reads: "(t)itle to real property shall vest in the recipient subject to the condition that the recipient shall use the real property for the authorized purpose of the project as long as it is needed and shall not encumber the property without approval of EPA."

B. Personal Property

Personal property is any kind of property that is not real property. Personal property may be tangible with physical presence; or intangible with no physical existence, such as trademarks, copyrights, patents, or securities.

C. Equipment

Equipment is defined as having a useful life of more than one year and an acquisition cost of more than \$5,000.

D. Supplies

Supplies mean all personal property, excluding equipment and intangible property (e.g., personal property with an acquisition cost of \$5,000 or less).

E. Property Trust Relationship

Although title to equipment and most real property vests in the recipient (i.e., LADCO) upon acquisition, this does not mean that LADCO owns the property outright. Under OMB Circular A-110 (which applies to LADCO whenever a federal funded grant or a cooperative agreement has been received), real property, equipment, intangible property, and debt instruments that are acquired or improved with federal funds should be held in trust by LADCO as trustees for the beneficiaries of the project or program

under which the property was acquired or improved. (See A-110 SUBPART C .37 and 40 CFR §30.37)

F. Non-LADCO Property

Non-LADCO property, in LADCO's custody, will be identified in accordance with the terms and conditions of the applicable contract or grant. Any special inventory or reporting procedures specified will be brought to the attention of the Administrative Assistant.

III. PROPERTY MANAGEMENT and RECORD-KEEPING

A. Responsibilities

The property recipient (see Sections VI and VII) shall be responsible for proper use, reasonable care, and maintenance of all accountable property. The Administrative Assistant shall be responsible for maintaining a complete, up-to-date property control log of LADCO-owned property.

B. Recordkeeping.

A property control log will be maintained in the LADCO main office for each piece of real property or equipment that LADCO owns or has under its care (see Attachment A).

1. Real Property. For each piece of real property owned, leased, or held in trust (vested under a federal award), the property control log shall contain the following information:

- description of the real estate, with copy of the plat;
- status of title;
- date of acquisition and price;
- location of real estate;
- date of last inventory;
- copy of insurance policy;
- evidence of prior approval to use property acquired with federal funds on other federally sponsored programs;
- for EPA awards, EPA shall prescribe requirements concerning the use and disposition of real property acquired whole or in part under awards; and
- status on disposition of the property.

2. Equipment. For each piece of equipment owned, leased, or held in trust (vested under a federal award), the property control log shall contain the following information:

- description of equipment;
- manufacturer's serial number, model number, or other identification number (e.g., LADCO sticker number);
- procurement authorization;
- date of acquisition and price;
- current location and condition of equipment (and date this

- information was established); and
- copy of any warranty and maintenance agreements.

IV. INVENTORY PROCEDURES

A. Frequency of Inventories

A physical inventory of all property maintained on the property control log shall be taken at least once per calendar year. Inventories may also be taken whenever an employee responsible for equipment is replaced, or an inventory is requested by the Board of Directors.

B. Responsibility for Inventories

The physical inventory shall be taken by the Administrative Assistant. For purposes of checks and balances, no employee involved in financial, procurement, or property management operations will conduct inventories. The results will be reconciled with the equipment and financial records. If necessary, then the Board of Directors may appoint a person (or persons) to investigate any loss, damage, or theft of property. Any such investigation shall be fully documented.

C. Property to be Inventoried

The inventory will include all property classified as real property, equipment, supplies, materials with an acquisition cost of \$300 or more, and any items designated by the Executive Director (e.g., property that has been loaned and non-LADCO property).

D. Current Utilization of Inventoried Property

The Executive Director shall be responsible for reviewing the current utilization and current need of all inventoried equipment.

E. Reporting Loss of Federal-Owned Equipment

If LADCO has any equipment that is owned by the Federal Government and the equipment was lost, damaged, or stolen, then the Administrative Assistant will immediately report the results to the Executive Director. The Executive Director will be responsible for promptly notifying the appropriate federal agency with whose funds the equipment was purchased.

V. MAINTENANCE

A. Policy

It is LADCO's policy to implement adequate maintenance procedures to ensure that equipment is kept in good working condition.

B. Responsibility for Maintenance

As necessary, LADCO shall contract with maintenance companies to maintain its equipment in good working condition. Responsibility for these contracts shall rest with the Executive Director and the Administrative Assistant.

C. Documenting Maintenance

The Administrative Assistant shall be responsible for monitoring equipment maintenance. The Administrative Assistant shall ensure that a record is maintained and kept current of all maintenance performed, including ensuring that the maintenance repair-person leaves a written record of his/her work and/or signs a maintenance log.

D. Warranties

The Administrative Assistant shall be responsible for monitoring equipment maintenance. The Administrative Assistant shall ensure that all warranties are kept current and a copy of the warranty is maintained in the property control log.

E. Insurance

It is LADCO's policy to insure all property and equipment, as defined in this manual, whether purchased with non-federal and federal funds.

VI. STAFF PROVIDED PROPERTY

LADCO may provide certain property (e.g., desktop computers) to its employees to assist in LADCO work-related business in the LADCO office. Employees must complete a Personal Property Receipt Form (see Attachment B) to acknowledge receipt of any such property. Any provided property will be used and maintained in a proper manner.

VII. LOANED PROPERTY

LADCO may loan certain property (e.g., laptop computer) to its employees, contractors, and others (e.g., its states) to assist in LADCO work-related business at home, on trips, or in the field (e.g., state offices). If any employee, contractor, or others borrows LADCO property, then they must complete and sign a Loaned Property Form (see Attachment C). The property recipient shall retain a copy of the Loaned Property Form, and shall provide a copy to the Administrative Assistant. The Administrative Assistant shall keep a copy of the Loaned Property Form with the property record log. Any borrowed property will be used and maintained in a proper manner. LADCO will generally not loan out its property for non-LADCO business.

Consistent with its "Procurement Policy Manual" and other applicable requirements, (e.g., grant conditions or contract provisions), LADCO may purchase equipment (and supplies) for use by its member States. Although LADCO shall retain title to the equipment, it may provide a "no-cost license" for the States to use the equipment. This license shall consist of a completed and signed Loaned Property Form (see Attachment C), with a provision that the items shall principally be used for work consistent with the funding source (i.e., if funds from a given grant or contract are used to purchase the equipment or supplies, then these items should principally be used for work on that grant or contract).

VIII. PROPERTY PURCHASED WITH NON-FEDERAL FUNDS

For any property purchased with donor funds, LADCO shall observe the donor's terms and conditions governing the use and disposition of the property. These terms and conditions may occur during the grant period or after its expiration, and may include requirements and conditions for selection, purchase, use, and disposition.

IX. PROPERTY DISPOSAL PROCEDURES

A. General Policy

It is LADCO's policy to adhere to any special terms, conditions, and requirements for disposal of equipment purchased with donor funds.

In accordance with Article V, Section 10 of LADCO's Articles of Incorporation (December 14, 1999), "(i)f the Consortium is dissolved, the assets of the Consortium shall be applied and distributed as follows:

- (a) all liabilities and obligations of the Consortium shall be paid, satisfied and discharged, or adequate provision shall be made therefore;
- (b) assets held by the Consortium upon condition of return, transfer or conveyance, which condition occurs by reason of dissolution, shall be returned, transferred or conveyed in accordance with such requirements;
- (c) assets of the Consortium shall then be distributed to the governmental agencies represented by the members/Directors for use for public (environmental) purposes in the ratio of the aggregate of all dues or other funding provided by each member's state government to the overall funding received; and
- (d) any remaining assets shall be distributed to organizations engaged in activities substantially similar to those of the dissolving corporation according to a plan distribution adopted pursuant to applicable law."

B. EPA-Acquired Equipment

Whenever equipment is acquired by LADCO through a federal EPA grant, LADCO shall submit a report to the federal Grant Officer within 90 days after the termination of the grant. The report shall include a list of purchased equipment, and state how LADCO plans on disposing of the equipment purchased under the grant. Disposition will be consistent with A-110, SUBPART C_.34 and 40 CFR §30.34 (g)(1)-(4).

C. Transfer of Title

Under certain projects, LADCO may transfer the title of all equipment and other property to Federal Government or a third party (see Attachment D). Any such transfer shall be performed according to the terms and conditions of the grant used to acquire the equipment and other property.

ATTACHMENT A LADCO- Property Control Log⁽¹⁾

Signature of Inventory Taker: _____ Inventory Date: _____

Description (including serial number and LADCO sticker number)	Procurement Authorization ⁽²⁾	Original Cost	Date of Acquisition	Present Condition ⁽³⁾	Present Location

- (1) **ACCOUNTABLE PROPERTY** is property which is complete in itself, does not lose its identity or become a component of another article when put in use; is durable, with an expected useful life of one year or more; and which has an original acquisition cost of \$300 or more.
- (2) **PROCUREMENT AUTHORIZATION** - Reference date and authorization source for purchase -- e.g., contract, grant or letter from donor.
- (3) **PRESENT CONDITION: G (Good)** - operable condition with expected remaining service life of one year or more and requiring no minor repairs; **F (Fair)** - operable condition but expected to require significant repairs to extend service life for more than one year; **P (Poor)** - marginally operable or non-operating condition or with major repairs required to extend service life for another year; useful life depleted, disposal recommended; **D (Disposed)** - disposed of since last inventory; indicate reason and method of disposal under "Present Location"; **M (Missing)** - lost, stolen, missing since last inventory; provide information regarding status under "Present Location".

ATTACHMENT B

LADCO - Personal Property Receipt Form

Under this agreement between LADCO and _____(Consignee), LADCO is releasing the following property under the custody of Consignee, who will then be responsible for the safe keeping, maintenance, and proper use of this property. Consignee further concurs to return the property upon completion of his/her assignment with LADCO, in its original condition with due consideration to the normal wear and tear expected during the period the property is loaned. If the property becomes lost or stolen, and it is deemed that Consignee was liable for the loss, then Consignee agrees to replace the borrowed property at its current fair market value at the time the item was lost or stolen. Further, Consignee agrees to pay to have the property repaired, if broken while in his/her possession and Consignee was found to be responsible for the damage.

The property to be loaned to Consignee is:

PROPERTY	SERIAL/I.D. NR.	CONDITION
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I, _____, verify receipt of the property as described above and agree to the above terms and conditions set forth by LADCO.

Signature of Borrower _____ **Date** _____

Signature of LADCO Representative _____ **Date** _____

ATTACHMENT D

LADCO - Transfer of Title

DATE: _____

TO: _____
(Name, Recipient Agency)

FROM: LADCO

RE: Property to be Transferred

On behalf of the Lake Michigan Air Directors Consortium, I wish to present the property listed on the appended Transfer of Title No. _____ to _____ [Agency receiving the property], in accordance with the agreement governing the relationship between the two parties. Please indicate your acceptance of these items by returning one signed copy of the appendix.

The current fair market value of each item of property is either shown on the transfer form or will be provided at a later date.

APPENDIX

Transfer of Title No. _____

The property described below was purchased with funds from _____ [donor name] for LADCO under _____ [Project Title]. In accordance with the funding agreement between LADCO and donor, the property listed below is hereby presented to _____ [Recipient Agency] for use in accordance with the project plan.

<u>Description of Property</u>	<u>No. of Units</u>	<u>Total Price/Value</u>
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Signed on this _____ day of _____, 20____:

Presented by: _____
Executive Director, LADCO

Received by: _____
Director, Recipient Agency