



TWC LETTER

ID/NO: WD 154-98

DATE: October 13, 1998

To: Local Workforce Development Boards
Private Industry Councils
LWDA Coordinators
TWC Local Offices
TWC Executive Staff

From: Director of Workforce Development, Jean M. Mitchell

Subject: Property Management

PURPOSE: To provide guidance and clarification regarding the use of equipment purchased with Texas Workforce Commission (Commission) administered funds upon termination of a contract and/or change of service providers.

REFERENCE: Texas Workforce Commission Financial Manual for Grants and Contracts

BACKGROUND: The Commission has overall responsibility for accounting for real property and equipment. In turn, the Commission holds each contractor accountable for such property in the custody of the contractor or their subcontractor(s). This letter addresses the need to clarify the Commission's right to continue its oversight of such property once a service provider contract ends/terminates.

The Commission's Financial Manual for Grants and Contracts at Chapter 16, Section 16.05, states the following: "Equipment must be used in the program or project for which acquired, for as long as needed, whether or not the program continues to receive Federal/State support. This means that the Contractor must use the equipment in the program for as long as the contractor has both the equipment and the program."

ACTION REQUIRED: In keeping with this rationale of utilizing equipment for its useful life in the program purchasing it, this letter establishes the procedure whereby upon termination of a contract and/or change of service providers, the Commission reserves the right to transfer equipment purchased under a grant, based on remaining useful life, to continue the equipment's use by a contractor currently receiving grant funds from the funding source used to originally purchase the equipment. This procedure is effective September 30, 1998. Please notify all interested parties.

INQUIRIES: Questions regarding this procedure should be directed to Arcadio Garza III, at (512) 936-0360, or Michael Weaver, at (512) 936-3047.