

U.S. Department of Labor

Employment and Training Administration
Sam Nunn Atlanta Federal Center
Room 6M12 - 61 Forsyth Street, S.W.
Atlanta, Georgia 30303



December 14, 2004

REGION 3 SWA ISSUANCE NO. 05-01

SUBJECT: Fiscal Year 2005 Update of State Workforce Agency Real Property Records

1. Purpose. To prepare for the Fiscal Year (FY) 2005 update of records of Department of Labor (DOL) equity in grantee-owned real property financed with administrative grant funds provided under Title III (Unemployment Insurance) of the Social Security Act and the Wagner-Peyser Act (Employment Security).
2. References. Training and Employment Guidance Letter (TEGL) No. 7-04; General Administration Letter (GAL) No. 5-94; 29 Code of Federal Regulations (CFR), Part 97; and OMB Circular No. A-87 (revised May 10, 2004).
3. Background. The DOL's Office of Inspector General (OIG) has done several reviews of the management of real property acquired with grant funds provided to states under the Wagner-Peyser Act, as amended, and Title III of the Social Security Act (Unemployment Insurance). These reviews have improved State Workforce Agency (SWA) real property management procedures, and increased compliance property management requirements which appear in DOL regulations at 29 CFR 97.31.

A comprehensive 1988 OIG review of DOL equity in SESA (currently SWA) real property determined inadequate property management records and the failure to compensate DOL for federal equity in disposed real properties.

The property reporting system database, maintained in the national office, is updated as acquisitions and dispositions occur. The system generates Individual Property Reports and State Summary Reports, identifies each piece of property by a unique number and maintains the following information: (a) name and address of the property; (b) size, including acreage of land and square foot area of a building; (c) year of acquisition; (d) original cost of the property including land, building and any finance costs; (e) original fund source(s); (f) how the cost of the property is being amortized; and (g) the same information as above for each improvement.

To oversee the acquisition and disposition of properties more effectively and to protect DOL equity, ETA plans to update the SWA real property inventory biannually. In order to do this, the national office will obtain from each SWA a bi-annual certification for each individual property financed with grant funds provided under Title III of the Social Security Act and the Wagner-Peyser Act. SWAs will provide their current real property inventory to the regional office for review so that any property updates that have not been entered into the database can be identified and provided to the national office for inclusion in the SWA Real Property Database before state certifications are requested.

4. Policy. SWAs must procure, manage and dispose of real property purchased with Federal grant funds according to DOL regulations cited at 29 CFR 97.31, 97.36, 97.40, and TEGL No.7-04.

5. Action Required. States are requested to carry out the following:

- Review the attached records to determine the completeness of the property inventory. A copy of each Individual Property Report in the existing inventory is attached. If the information is not correct, the correct information should be noted where applicable on the Individual Property Report. If no property report exists for an acquisition, the information should be recorded on a blank Individual Property Report. If a property has been disposed of but is not recorded as such, these records should be amended.
- Provide the name, title and mailing address of the appropriate SWA or state official authorized to certify property records.
- Submit the revised inventory of SWA Real Property and the list of responsible officials to this office, attention: Richard Clark or Linda J. Scott, no later than Friday, January 21, 2005.

Please note that all amortization is to be phased out as explained in Section 15. Phase-out of Amortization Arrangements of TEGL 7-04, dated October 20, 2004. This requirement is prompted by the May 10, 2004, revision of OMB Circular A-87.

6. Inquiries. Questions regarding this issuance should be directed to Richard Clark, Linda Scott or Jim Schlottman in the Office of Systems Support, Administrative Services Unit, at (404) 562-2095.

7. Expiration Date: February 15, 2005.

Helen N. Parker
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Regional Administrator

