



November 16, 2021

GRANT OFFICER MEMORANDUM NUMBER 22-01

TO: ALL BUREAU OF INTERNATIONAL LABOR AFFAIRS (ILAB)
COOPERATIVE AGREEMENT RECIPIENTS

FROM: BRADLEY SICKLES *BS*
Grant Officer

SUBJECT: Requirement to Submit Inventory List Annually and Report Variations in
Equipment and Real Property Purchases

1. **Purpose.** To transmit a policy change to the current *Management Procedures and Guidelines for Cooperative Agreements* (or MPG). More specifically, the Grant Officer now requires recipients of cooperative agreements from the Department's ILAB to 1) submit a copy of their inventory list annually, and 2) notify the Grant Officer Representative (GOR) of variations between actual equipment/ real property purchases and approved planned expenditure amounts and budget justification. Using the guidance in this memorandum, each recipient must notify its GOR of equipment cost variations within 90 days of incurring the actual equipment cost.
2. **References.**
 - a. Section 4.2.5, *Inventory List of All Equipment and Real Property* (page 16), detailed in the *Fiscal Year (FY) 2021 Management Procedures & Guidelines for Cooperative Agreements* issued by ILAB's Office of Trade and Labor Affairs on October 7, 2020.
 - b. Section 5.4, *Inventory List of All Equipment and Real Property* (page 15), detailed in the *FY 2021 Management Procedures & Guidelines for Cooperative Agreements* issued by ILAB's Office of Child Labor, Forced Labor and Human Trafficking on December 31, 2020.
3. **Background.** In some situations, the actual cost and accompanying justification may vary from the Grant Officer approved planned purchase of equipment and/or real property and the approved justification. Changing business conditions, including changes in the overall economy or global trade, can cause these budget variances for equipment and real property. Please refer to 2 CFR 200.1 for definitions for *equipment* and *real property*.

Favorable variances result when actual costs are less than the approved planned costs, and vice versa. When these variances occur, the primary concern on the part of the Department relative to the budget deviation is that there is no change in the scope of work associated with the project.

4. **Notification Requirement.** Both ILAB MPGs referenced earlier contain a section on a requirement for the submission of an *Inventory List of All Equipment and Real Property*. These sections are now amended with the following requirements that are effective on the date of issuance of this memorandum (the new text is highlighted in ***bold italics***):

Inventory List of all Equipment and Real Property

The recipient must maintain an inventory list of all equipment and real property consistent with the regulations applicable to “Property Standards” at 2 CFR 200, Subpart D – Post Federal Award Requirements (please refer to the “Inventory List (Suggested Format)” attached to the MPG). The recipient must provide a copy of their inventory list to USDOL ***annually as part of the recipient’s October TPR submission.***

When purchased equipment (with a per-unit cost of \$5,000 or more and a useful life of more than one year) deviates in cost from the approved budget, the recipient must notify the GOR via written notification within 90 days of purchase. The notification must provide an explanation for the deviation in cost. The recipient must retain a copy of the notification as part of its official award records. Please refer to the section on Budget Revisions if a budget revision is needed.

In addition, the inventory must also be submitted 90 days before the end of the period of performance of the cooperative agreement as part of the project closeout. See Project Closeout Procedures.

This memorandum is officially attached to the MPG and thereby to the grantee's cooperative agreement by reference.

5. **Inquiries.** Please contact your GOR for questions concerning this guidance.