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June 5, 2018

This is in response to your U.S. General Services Administration (GSA) Freedom of Information Act (FOIA) request (GSA-2018-001286) dated June 3, 2018 in which you requested the following:

“[a]n electronic/digital copy of the GSA document: Donation of Surplus Property Handbook. This document is not found on the public internet site.”

Please find attached a copy of the requested document.

This completed the action on this request. Should you have questions, you may contact me at travis.lewis@gsa.gov or contact our GSA FOIA Public Liaison, Audrey Brooks, at (202) 205-5912 or by email at audrey.brooks@gsa.gov for any additional assistance and to discuss any aspect of your FOIA request.

Sincerely,

Travis Lewis

Director, Office of Freedom of Information Act and Records Management
Office of Administrative Services

Enclosure

This document is the FIRST of two documents in the automated GSA Directives Library used to depict FSS P 4025.5. This document contains the change orders, the entire table of contents, and chapters 1 - 12. The second document contains only appendixes A and B and the table of contents pertaining to those portions of the handbook.

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

FSS P 4025.5 CHGE 4, **Extended**
March 24, 1999, Extended on February 28, 2017

GSA ORDER

SUBJECT: Donation of Surplus Personal Property

1. Purpose. This order transmits changed pages to the HB, Donation of Surplus Personal Property.
2. Cancellations. FSS IL 95-2 and FSS IL 97-1 are canceled.
3. Explanation of changes. Ch. 2 is revised as follows:
 - a. Par. 13a is revised to update the guidelines for determining the frequency of State agency reviews.
 - b. Fig. 2-5.1 is retitled and revised to update the national distribution target percentages, which were formerly called national entitlement percentages.
 - c. Figs. 2-9.2, 2-9.3, and 2-9.4 are revised to update the conditional transfer documents for vessels, non-combat-type aircraft, and combat-type aircraft.

FRANK P. PUGLIESE, JR.
Commissioner
Federal Supply Service

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

FSS P 4025.5 CHGE 3
May 22, 1995

GSA ORDER

SUBJECT: Donation of Surplus Personal Property

1. Purpose. This order transmits changed pages to the HB, Donation of Surplus Personal Property.
2. Cancellation. The letter FSS-IL-94-1, of April 1, 1994, from the Commissioner of Federal Supply Service (FSS) to the Assistant Regional Administrators of FSS, subject: State Agency Reviews (FSS P 4025.5, ch. 2-13), is canceled.
3. Explanation of change. Ch. 2-13 is revised to provide updated instructions for evaluating a State agency's program for the donation of Federal surplus personal property.
4. Instructions. Remove pp. 39 thru 42.4 and 89 thru 92 of ch. 2. Insert the attached corresponding new pages.

/s/ Donna Bennett for
FRANK P. PUGLIESE, JR.
Commissioner
Federal Supply Service

GENERAL SERVICES ADMINISTRATION
Washington, D.C. 20405

FSS P 4025.5 CHGE 2
July 26, 1989

GSA ORDER

SUBJECT: Donation of Surplus Personal Property

1. Purpose. This order transmits new and revised pages for inclusion in the HB, Donation of Surplus Personal Property.

2. Cancellations. FSS Donation Program Memoranda Nos. DPD-19-81, FMD-3-86, FBP-8-86, FBP-9-86, FBP-10-86, FBP-11-86, FBP-12-86, and FBP-3-87 are canceled.

3. Explanation of changes.

a. Ch. 1 of the handbook is changed as follows:

(1) Subpar. 13w is revised to provide new guidelines for donating PCE or PCB-contaminated items.

(2) Par. 21 is revised to eliminate the processing of overage and shortage reports for property having a minimal acquisition cost.

(3) Par. 22 is amended to make the sponsoring agency responsible for determining whether screener applicants are qualified to screen items for donations

b. Ch. 2 is changed as follows:

(1) Par. 8 is amended to reflect new requirements for updating donee eligibility records and granting conditional eligibility. It also contains a provision whereby a donee, which has failed to meet the terms of its conditional eligibility, will pay the fair market value, rather than fair value, of donated property it has received and cannot return to the State agency.

(2) Par. 9 is amended to provide procedures for including the required donee certifications and agreements on computer-produced distribution documents. In subpar. 9b, the acquisition cost criterion for imposing special handling and use limitations on vessels and aircraft is raised from \$3,000 to \$5,000. Subpar. 9c is revised to reflect the eligibility of programs for the homeless to acquire donable property.

(3) Par. 12 is amended to allow a State agency's reimbursable expenses to be applied against total sales proceeds in lieu of the present method of determining reimbursement for each item or lot sold. In subpar. 12k(5)(b), the acquisition cost criterion for abandoning or destroying property without public notice is raised from \$100 to \$500.

(4) Par. 13 is revised to address the review requirements recommended in the General Accounting Office's May 1988 report to Congress entitled "Property Management: Excess and Surplus Personal Property Transfers to Nonfederal organizations (GAO/GGD-88-68)." The report recommended, in part, that regional reviews of State agency donation programs be expanded to include assessments of the State agency's financial condition and distribution practices.

(5) Par. 14 is revised to provide for compliance with the external audit requirements of OMB Circular A-128, "Audits of State and Local Governments."

(6) Par. 16 is amended to eliminate the requirement for legislative involvement in amendments to State plans of operation.

(7) Subpar. 19c is revised to raise from \$3,000 to \$5,000 the unit acquisition cost of property on which state agencies are required to impose additional restrictions.

(8) Fig. 2-5.1 is revised to update the entitlement percentages of each State.

(9) Fig. 2-6.1 is revised to update the format used for interstate cooperative distribution agreements.

(10) Fig. 2-9.1 is revised to add a "hold harmless" clause and to raise from \$3,000 to \$5,000 the unit acquisition cost of property on which State agencies are required to impose additional restrictions. Also,

the special handling conditions and use limitations imposed by GSA on the donation of foreign gifts and decorations are added to the terms and conditions to be included on the State agency distribution document.

(11) Fig. 2-12.3 is added to provide a format to use in preparing a public notice of abandonment or destruction.

(12) Fig. 2-13 is revised to reflect the change in (4), above.

(13) Fig. 2-14 is revised to reflect new audit guidelines.

c. Organizational references are updated and editorial changes are made throughout.

DONALD C. J. GRAY
Commissioner
Federal Supply Service

GENERAL SERVICES ADMINISTRATION
Washington, D. C. 20405

FSS P 4025.5 CHGE 1
February 10, 1987

GSA ORDER

SUBJECT: Donation of Surplus Personal Property

1. Purpose. This order transmits new and revised pages for inclusion in the HB, Donation of Surplus Personal Property.

2. Cancellations. Donation Program Memoranda Nos. DPD-20-81, FMD-4-84, FMD-7-84, FMD-8-84, FMD-10-84, FMD-5-85, and FBP-5-86 are canceled.

3. Explanation of changes.

a. Ch. 1 of the handbook is changed as follows:

(1) Subpar. 13c is revised to provide procedures for screening surplus ADP equipment which is generated at classified Department of Defense activities.

(2) Subpar. 13i is revised to ensure that State agencies are contacted for pickup instructions when a vessel is transferred for donation.

(3) Subpar. 13j is revised to clarify instructions for donating noncertified electronic products.

(4) Subpar. 13k is revised to allow sports cars and luxury cars to be donated for administrative use. Previously, this was prohibited.

(5) Subpar. 21c is revised to require that overage and shortage reports be submitted to GSA within 90 calendar days of the date of allocation.

(6) Subpar. 22b is revised to clarify how State agency and donee screeners may be approved to screen at installations outside the State in which they reside.

(7) Fig. 1-17 is revised to add a geographic location code for the Commonwealth of the Northern Mariana Islands.

(8) Fig. 1-26 is revised to remove and replace an incorrect page.

b. Ch. 2 is changed as follows:

(1) Subpar. 3d is revised to delete the requirement for legislative involvement in amendments to permanent State plans of operation.

(2) Subpar. 5h(1)(e) is revised to make optional the procedure for nonallocating regional offices to send copies of approved Standard Form 123, Transfer Order Surplus Personal Property, for reportable property to allocating regions.

(3) Subpars. 5h(1)(i) and (2)(b)(ii) are revised to delete the requirement that property acquired as a result of residual screening not be charged to a State agency's entitlement.

(4) Subpar. 5j(2) is revised to provide for adjustments to be made in the costs to be charged to a

State agency's entitlement for averages or shortages reported within 90 calendar days of the date of allocation.

(5) Subpar. 12i is revised to provide procedures for State agencies to sell undistributed Federal property in their custody.

(6) Subpar. 12j1(2) is revised to clarify procedures for reimbursing State agencies when undistributed property in their possession is sold.

(7) Par. 20 is added to provide procedures for donating surplus clothing to public agencies for use by needy persons.

(8) Fig. 2-12 is redesignated fig. 2-12.2.

(9) Fig. 2-12.1 is added to illustrate the cooperative agreement that State agencies must enter into with GSA before being authorized to sell undistributed Federal property.

c. Ch. 12 is completely revised to provide procedures governing the donation of foreign gifts and decorations to public agencies and eligible nonprofit, tax-exempt activities.

d. App. A is revised to include definitions for the terms "adult day care," "foreign decoration," "foreign gift," and "purpose." The term "approved" is redefined to provide for educational applicants to meet the criteria for approval under the "three-institutional-certification method" established by section 1201(a)(5)(B) of the Higher Education Act of 1965. The terms "donee" and "program for older individuals" are redefined to reflect changes made by the 1981 amendments to the Older Americans Act of 1965.

e. App. B is revised to incorporate an eligibility determination for hospices and to provide guidance for evaluating applications from adult day care centers, museums, and the Civil Air Patrol.

f. Organizational references are updated.

4. Reports. OMB Approval Number 3090-0014 is assigned to the report required by this order.

DONALD C. J. GRAY
Commissioner
Federal Supply Service

GENERAL SERVICES ADMINISTRATION
Washington, D. C. 20408

FSS P 4025.5
December 31, 1984

GSA ORDER

SUBJECT: Donation of Surplus Personal Property

1. Purpose. This order incorporates the HB, Donation of Surplus Personal Property, into the FSS series and transmits new and revised pages.

2. Cancellations. Donation Program Memoranda Nos. DPD-18-79, DPD-5-82, DPD-982, DPD-13-82, DPD-15-82, YMD-2-83, YMD-4-83, FMD-7-83, FMD-8-83, FMD-9-83, FMD10-83, FMD-11-83, FMD-12-83, FMD-13-83, FMD-14-83 and FMD-3-85 are canceled.

3. Background. The GSA Organization Manual (OHR P 5440.1 CHGE 35) abolished the Office of Personal Property, Federal Property Resources Service, and transferred its functions to the Office of Personal Property. On January 22, 1983, by GSA Order ADM 5440.284, the Office of Personal Property was renamed the Office of Federal Supply and Services.

4. Validation and constructive revision. The HB, Donation of Surplus Personal Property, is hereby validated, subject to the following changes:

 a. Wherever they appear in the handbook, the order identifications FSS P 4025.4 and PRM P 4025.1 should be interpreted to mean FSS P 4025.5 and should be so referenced.

 b. Wherever the designations Federal Supply Service or Federal Property Resources Service or the initials FPRS are used in the handbook, they should be interpreted as meaning the Office of Federal Supply and Services or FSS.

5. Explanation of changes.

 a. Ch. 1 is revised as follows:

 (1) Par. 13 provides revised procedures for processing automatic data processing equipment and expended ammunition cartridge cases. Subpars. 13z and aa are added to provide procedures for processing paints and radioactive materials. Provisions are also made for State agencies to use a special processing code when requesting property having characteristics that require special handling or use limitations. Fig. 1-13 is added to illustrate the codes.

 (2) Fig. 1-16.1 is revised to illustrate the current edition of the Standard Form 123, Transfer Order Surplus Personal Property.

 (3) Fig. 1-26 is revised to update the criteria for reporting excess personal property.

 b. Ch. 2 is revised as follows:

 (1) Par. 7 is revised to provide procedures for implementing a nationwide program for restricted rotational Joint screening.

 (2) Par. 8 is revised to reflect changes made by the 1981 amendments to the Older Americans Act of 1965, as amended.

 (3) Par. 10 is revised to provide that any insurance funds collected by the State agencies involving damaged or destroyed property still under Federal restrictions should be remitted to GSA for deposit in the U.S. Treasury.

(4) Par. 12 is revised to eliminate reimbursement to the State agencies for certain sales expenses; to provide criteria for reimbursing State agencies for their transportation expenses; and to provide clarification on disposing of property by abandonment and destruction.

(5) Par. 14 is revised to provide for use of the audit guide illustrated in fig. 2-14.

(6) Par. 16 is revised to emphasize that a liquidation plan constitutes a major amendment of the State's plan of operation and, as such, must conform with the requirements of FPMR 101-44.202(b), (d)(1), and (d)(2). It also provides for the liquidation plan to include a provision for designating a successor in function.

(7) Par. 18 is added to provide procedures for State agencies to turn in undistributed property to Defense Property Disposal Offices (DPDO).

(8) Par. 19 is added to provide cannibalization procedures.

(9) Fig. 2-5.1 is revised to update the national entitlement percentages of each State.

(10) Fig. 2-12 is added to illustrate the format used in calculating reimbursement for State agency transportation expenses.

(11) Fig. 2-18.1 is added to illustrate the memorandum of understanding between DOD and GSA which allows State agencies to turn in nondonated property to DPDO's.

(12) Fig. 2-18.2 is added to illustrate the document used to turn in property to DPDO's.

(13) Fig. 2-18.3 is added to provide guidelines on batch lotting property for turn-in to DPDO's.

c. Ch. 3 is revised to update procedures and guides to be used in processing donations of surplus personal property to service educational activities.

d. Ch. 9 is added to prescribe the policies and procedures governing the donation of forfeited alcoholic beverages to eleemosynary (charitable) institutions.

e. Ch. 11 is revised as follows:

(1) Par. 11 is revised to provide for quarterly status reports on open noncompliance cases.

(2) Par. 12 is revised to provide clarification on the payment of funds in noncompliance cases.

f. App. B is revised to incorporate an eligibility determination for foodbanks.

g. Organizational references are updated.

6. Reports. Office of Management and Budget Approval Number 3090-0001 is assigned to GSA Form 18, Application of Eleemosynary Institution.

7. Forms. This order provides for the use of GSA Form 18, Application of Eleemosynary Institution. Supplies of this form may be obtained in the usual manner.

DONALD C. J. GRAY

DONATION OF SURPLUS PERSONAL PROPERTY
GENERAL TABLE OF CONTENTS

CHAPTER 1.	GENERAL PROVISIONS
CHAPTER 2.	PUBLIC AGENCIES AND NONPROFIT TAX-EXEMPT ACTIVITIES
CHAPTER 3.	SERVICE EDUCATIONAL ACTIVITIES
CHAPTER 4.	PUBLIC AIRPORTS
CHAPTER 5.	AMERICAN NATIONAL RED CROSS
CHAPTER 6.	PUBLIC BODIES
CHAPTER 7.	MAJOR DISASTER AND EMERGENCY ASSISTANCE
CHAPTER 8.	ABANDONED AND FORFEITED PERSONAL PROPERTY--RESERVED
CHAPTER 9.	FORFEITED DISTILLED SPIRITS, WINE AND MALT BEVERAGES
CHAPTER 10.	RECORDS AND REPORTS
CHAPTER 11.	NONCOMPLIANCE
CHAPTER 12.	FOREIGN GIFTS AND DECORATIONS
APPENDIX A.	GLOSSARY OF TERMS
APPENDIX B.	SYNOPSES OF ELIGIBILITY DETERMINATIONS

TABLE OF CONTENTS

CHAPTER 1. GENERAL PROVISIONS

Paragraph Titles	Paragraph Numbers
Purpose.....	1
Applicability.....	2
Scope of the program.....	3
Definitions.....	4
Determinations of eligibility.....	5
Withdrawal of donable property.....	6
Cooperation of holding activities.....	7
Care and handling pending transfer for donation....	8
Costs incurred incident to transfer for donation....	9
Assistance in major disaster relief.....	10
Expedited onsite donation screening.....	11
Donation of property withdrawn from sale.....	12
Donation of special categories of property.....	13
Donation screening period.....	14
Extended surplus release date.....	15
Standard Form 123, Transfer Order Surplus Personal Property.....	16
Review of Standard Form 123 by GSA regions.....	17
Presigned Standard Form 123.....	17.1
Approval or disapproval of Standard Form 123.....	18
Rejection of property approved for donation.....	19
Shipping instructions, pickup, shipment, and delivery.....	20
Overages and shortages.....	21
Certification and control of screeners.....	22
Recovery of property for Federal use.....	23
Nondiscrimination.....	24
Federal utilization of nonreportable property requested for donation.....	25
Deletions from Standard Form 123.....	26
Donation pamphlet.....	27
State agency directory.....	28
Donation program memoranda.....	29
Regional office responsibilities.....	30
Responsibilities of area utilization officers.....	31
Regional donation conferences.....	32
Termination of restrictions.....	33
Review of Standard Form 126, Report of Personal Property for Sale.....	34
Figure 1-13. SF 123 coding system for property requiring special processing	
Figure 1-16.1. SF 123, Transfer Order Surplus Personal Property	
Figure 1-16.2. SF 123-A, Transfer Order Surplus Personal Property- Continuation Sheet	

Figure 1-16.3. Instructions for preparing and processing SF 123

Figure 1-17. State geographic location codes

Figure 1-22. GSA Form 2946, Screener's Identification

Figure 1-26. Criteria for reporting excess personal property to the
General Services
Administration (FPMR 101-43.4801)

Figure 1-29. Donation program numbered memorandum system

Figure 1-30. Regional allocating offices and their allocating
areas

Figure 1-33. Release document

CHAPTER 1. GENERAL PROVISIONS

1. **Purpose.** This handbook prescribes instructions and procedures for the program activities of the General Services Administration for the transfer for donation of Federal surplus personal property pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, and other applicable laws.
2. **Applicability.** The instructions and procedures in this handbook apply to:
 - a. The organizational elements of the Federal Property Resources Service in the Central Office and regional offices concerned with the transfer for donation of surplus personal property within the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands; and
 - b. All surplus personal property of the Federal Government unless specifically exempted from the donation program.

3. Scope of the program. The program for the transfer for donation of surplus personal property encompasses public agencies and nonprofit educational and public health activities; educational activities of special interest to the armed forces; the development, improvement, operation, or maintenance of a public airport; and public bodies.

4. Definitions. For definition of terms used in this handbook, see appendix A.

5. Determinations of eligibility.

a. The State agency is responsible for determining the eligibility of public agencies to receive donations of surplus personal property to be used for one or more public purposes such as conservation, economic development, education, parks and recreation, public health, public safety, and programs for older individuals, and to eligible nonprofit, tax-exempt activities for education and public health purposes, including research for any such purposes, and for use in programs for older individuals. Guidelines and standards for determining eligibility are in ch. 2-8 and appendix B.

b. The Secretary of Defense or his duly authorized representative has the authority to determine the eligibility of service educational activities to receive surplus personal property.

c. The Administrator of the Federal Aviation Administration or his duly authorized representative is authorized to determine the eligibility of any State, political subdivision, municipality, or tax-supported institution to receive surplus personal property for public airport use.

6. Withdrawal of donable property. Surplus personal property set aside or approved for transfer for donation may be withdrawn for use by the holding activity or for transfer to a Federal agency with the prior approval of GSA. However, the holding activity may withdraw such property to meet its essential valid requirements without prior approval of GSA in emergency situations requiring immediate action. The appropriate GSA regional office will be immediately notified of such actions. The State agency or donee which applied for the property will be advised by the GSA regional office at the time a withdrawal is approved. When appropriate, the regional office will also advise the allocating office. Where withdrawals are made without GSA approval or where GSA is not advised of the withdrawals, the regional office shall contact the holding activity to ensure that proper procedures are being followed. If the problem cannot be resolved, the regional office shall refer the matter to the Central Office for coordination with the holding agency in resolving the problem.

7. Cooperation of holding activities. Holding activities are required to cooperate fully with all State agencies and their duly accredited representatives and all other donee representatives authorized to participate in the donation program in locating, screening, inspecting, and freezing surplus personal property for donation. Upon reasonable request, holding activities are required to make available information regarding the quantity, description, condition, and location of donable property in their inventories. Holding activities are not obligated, however, to prepare and mail reports or listings not otherwise required by their agency procedures.

8. Care and handling pending transfer for donation. Each holding agency is responsible for performing and bearing the care and handling of its property pending transfer for donation.

9. Costs incurred incident to transfer for donation. The direct costs incurred incident to transfer for donation shall be borne by the State agency or the designated donee. Overhead or administrative costs or charges shall not be included. Only costs directly incurred in the actual packing, preparation for shipment, and loading may be recovered by the holding agency. Where such costs are incurred, they shall be reimbursed promptly by the State agency or designated donee upon appropriate billing, unless the holding agency waives the amount involved as being uneconomical or impractical to collect; for example, collections of amounts of less than \$100 for any single shipment would appear uneconomical. Payment of all transportation costs shall be borne by the State agency or the designated

donee.

10. Assistance in major disaster relief. Surplus personal property may be donated to States for use or distribution by them in connection with emergency or major disaster purposes, including the restoration of public facilities which have been damaged, and the essential rehabilitation of individuals in need of disaster assistance. All donations of surplus personal property for disaster assistance require the prior approval of GSA, except where property already approved for transfer to a State agency is donated to eligible donees. Ch. 7 prescribes procedures and guidelines for GSA regional offices in processing donations of surplus personal property for purposes of Federal disaster assistance.

11. Expedited onsite donation screening.

a. General. In order to expedite donation, surplus property may be made available on a case-by-case basis for onsite screening by GSA regional offices. Onsite screening should be considered when the accumulation at a holding activity and the kinds of property available indicate that a concentrated and expeditious screening would be the most efficient and economical means of accomplishing donation screening. Also, when base closure is involved or holding agencies are faced with serious storage problems, onsite screening should be considered.

b. Participation. GSA regional offices shall notify the surrounding States and all other State agencies that have expressed an interest in, or have known requirements for, the type of property available for onsite screening. They shall arrange for the broadest possible representation by State agency representatives commensurate with the quantity and value of the property available. Participation in these screening sessions is limited to authorized representatives of State agencies and representatives of eligible donees designated by State agencies to attend such sessions.

c. Screening schedule. The following procedures shall be followed in conducting onsite donation screening sessions at selected locations:

(1) The GSA regional office shall contact the holding agency or activity not later than 15 days prior to the date the onsite donation screening is scheduled to start so that all necessary arrangements can be coordinated and agreed upon. Onsite donation screening should be scheduled to begin when the property becomes surplus, after the end of the utilization screening. Concurrent screening may be scheduled with Federal, State, and donee representatives in attendance. All onsite donation screening shall be coordinated by the regional office with the Central Office during the planning stage so that the Central Office can further coordinate with the headquarters office of the holding activity.

(2) The donation screening period should be limited to the specific dates established by the agreement for the particular location. Generally, a screening period of 5 workdays should be sufficient, except for those continuing screening procedures described in (6), below.

(3) The property selected for the screening session should be set aside in separate areas and properly identified by the holding activity to facilitate screening by the participants.

(4) Except as provided in (6), below, GSA (either a regional utilization officer or an area utilization officer) and State agency representatives should be present during all screening periods.

(5) The State agency representative shall prepare a Standard Form (SF) 123, Transfer Order Surplus Personal Property (fig. 1-16. 1 [Link](#)), at the site on a daily basis for the property selected. Upon approval by the GSA representative, the holding activity shall be authorized to release the property. Processing of donation documents shall be expedited to ensure that the property is removed promptly at the end of each daily session to the maximum extent feasible. No property shall be released until after the SF 123 is approved by the GSA representative, except in emergency situations as determined by GSA.

(6) If the onsite donation screening is conducted on a continuing day-to day basis, pursuant to procedures previously agreed to in writing between the GSA regional office, the holding agency, and the State agency concerned, the presence of authorized GSA and State agency representatives is not required. Arrangements may provide for processing the essential donation documents after the onsite screening and removal of the property as follows:

(a) State agencies should coordinate the preparation of donation documents at least once a week for approval by GSA representatives the day following preparation.

(b) The GSA representative should visit the screening site regularly to ensure that the established arrangements are being properly followed, at which time final processing of the donation documents should be made.

d. Coordination between regional offices and allocating regional offices.

(1) The regional office will advise the allocating regional office, if not one and the same, of the date(s) and the location of the holding agency or activity at which the onsite screening is to be held 15 calendar days prior to the start of such screening.

(2) The regional office will advise the allocating regional office of those State agency and donee representatives who will attend the screening sessions.

(3) The allocating regional office will advise the regional office as to the status of the States located within their allocating areas relative to their entitlements, and by what percentages they are over or under. This information will serve as a guide when approving transfers for donation on a fair and equitable basis, and when there are competing requests for property.

e. Summary of results. As soon as possible following the conclusion of all onsite screening sessions, the GSA regional office shall prepare and send to the Central Office Donation Division (FMD) a summary of events detailing:

(1) The amount of property, based upon acquisition cost or estimate thereof, originally available prior to onsite screening;

(2) The amount of property approved for donation;

(3) The amount of property and the names of State agencies and/or institutions which received the property as the result of onsite screening; and

(4) Any other pertinent information, including problems or unusual circumstances encountered during the screening and how they were resolved.

12. Donation of property withdrawn from sale.

a. Withdrawal from DOD sales. Surplus DOD personal property which has already been listed on a sales offering may be withdrawn and approved for donation provided the property was not previously made available for donation or such action is not harmful to the sale, as jointly determined by GSA and the holding or selling agency. Withdrawal must be made before the award of such property. The State agency or donee requesting withdrawal of surplus personal property from sale for purposes of donation must submit the request to the appropriate GSA regional office. The GSA regional office will forward the request to the Central Office, by telephone if necessary, for consideration and coordination with the Defense Logistics Agency (DLA). The request must include adequate justification and a statement of whether the property had been available for screening during the authorized donation screening

period. Requests for the withdrawal of surplus personal property that has entered the DOD sales cycle, but has not yet been listed on a sales offering, will be handled between the GSA regional office and the Defense Property Disposal Office (DPDO) or Defense Property Disposal Region (DPDR) concerned. Requests which cannot be resolved at the regional level shall be submitted to the Central Office for coordination with DLA.

b. Withdrawal of civil agency property. Requests for withdrawal of civil agency surplus personal property being offered for sale by a GSA regional sales office shall be coordinated between the regional sales office, the regional donation office, and the holding activity.

13. Donation of special categories of property. The Central Office is authorized to impose appropriate conditions on the donation of property having characteristics that require special handling or use limitations. The Central Office may, on a case-by-case basis, prescribe special handling conditions or use limitations on property items other than those categorized below. Each regional office when considering the transfer and allocation of surplus personal property will determine whether the characteristics of the property require any special handling conditions or use limitations. When property not categorized in this paragraph is believed to have such characteristics, the regional office allocating the property shall refer the case to the Central Office for review and approval of the proposed conditions. For that property which the State agency has to certify that special processing requirements will be met, the special processing codes in fig. 1-13 [Link](#) may be used instead of typing the certification in full on the Standard Form 123. State agencies, before using the codes, must execute and file the following agreement with their GSA regional office. Regional offices are to maintain the agreements in their State plan files.

Certificate of Use of Special Processing Code

The State Agency for Surplus Property of the State of _____ hereby certifies that the coding system for property requiring specialized processing, as set forth in the HB, Donation of Surplus Personal Property (FSS P 4025.5), will be used with the intent that the processing requirements represented by the code will be adhered to as if written in full.

State Agency Director

Date

a. Drugs, biologicals, and reagents other than controlled substances and certain shelf-life items.

(1) Surplus drugs, biologicals, and reagents which are in Federal Supply Class 6505, and which are not required to be destroyed as provided in FPMR 101- 45.505, may be approved by regional offices for donation to public agencies and eligible nonprofit, tax-exempt activities. However, when the report of excess or other communication from the holding activity listing the drugs, biologicals, and reagents indicates items as unfit for human use, regional offices will not offer such items for donation. Controlled substances shall not be transferred for any donation purpose. Controlled substances are defined as any narcotic, depressant, stimulant, hallucinogenic drug, or any other substance or immediate precursor included in Schedules I, II, III, IV, or V of section 202 of the Controlled Substances Act (21 U.S.C. 812) except exempt chemical preparations and mixtures and excluded substances listed in 21 CFR Part 1308; any other drug or substance which the Attorney General determines to be subject to control pursuant to Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970; or any other drug or substance which by international treaty, convention, or protocol is to be controlled by the United States.

(2) Whenever surplus drugs, biologicals, and reagents are requested for donation, a letter of clearance must be obtained by the State agency or designated donee from the Food and Drug Administration (FDA) indicating which items may be safely donated. The State agency or designated donee must obtain the letter of clearance and ensure that the letter accompanies the Standard Form 123, Transfer Order Surplus Personal Property. Items which do not fall within the purview of FDA, or which FDA indicates are unsuitable, shall not be considered by regional offices for donation.

(3) For purposes of obtaining the letter of clearance from FDA, the State agency or designated donee is responsible for obtaining and providing samples of any item that is required. Any payment of costs for laboratory examinations for quality assurance of samples must be arranged by the State agency.

(4) For surplus drugs, biologicals, and reagents requested by a State agency, the SF 123 must also contain a statement that:

(a) For any quantity of items approved for donation which is to be stored in a State agency warehouse prior to distribution, the State agency certifies that adequate facilities are available to effect full accountability and proper storage of the items in accordance with Federal, State, and local statutes governing the acquisition, storage, and accountability of the items requested;

(b) The facilities will be used for the protection of items, including protection against theft and pilferage; and

(c) The items will be distributed only to institutions licensed and authorized to administer and dispense items or to organizations authorized to store items.

(5) In addition to the normal certifications required to be executed by responsible officials of donee institutions or organizations when property is acquired by donation, the State agency is required to obtain a certification from the donee indicating that:

(a) The items transferred to the donee institution or organization will be safeguarded, dispensed, and administered under competent supervision;

(b) Adequate facilities are available to effect full accountability and proper storage of the property in accordance with Federal, State, and local statutes governing its acquisition, storage, and accountability; and

(c) The administration or use of the property requested will comply with the provisions of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 301-392).

(6) When medical materials and medical supplies held for national emergency purposes are determined to be surplus they may be approved by regional offices for donation for authorized public purposes, for eligible nonprofit, tax-exempt activities, and for public airport purposes. However, prior to donation approval, drugs, biologicals, and reagents other than controlled substances which are not required to be destroyed as provided shall be processed as provided in this par. 13a.

(7) Shelf-life items determined to be surplus shall be made available for donation screening for authorized public purposes, for eligible nonprofit, tax-exempt activities, and for public airport purposes pursuant to the provisions of par. 14, below. Prior to donation, drugs, biologicals, and reagents other than controlled substances, except those requiring refrigeration or deep freeze and which are excepted from the provisions of FPMR 101-43.313-9, shall be processed as provided in this subparagraph.

b. Donation of aircraft.

(1) General. This paragraph provides procedures and conditions for the donation of aircraft which are not classified for reasons of national security and after removal of lethal characteristics. The requirements of this paragraph apply to the donation of any fixed- or rotary-wing aircraft with a unit acquisition cost of \$3,000 or more, but do not apply to any components, accessories, parts, or appurtenances thereof. Combat type aircraft shall not be donated for flight use.

(a) All civil agency aircraft and certain DOD aircraft specified in FPMR 101-43.4801 will be reported to GSA Region 9 (9DP) for utilization and donation screening.

(b) Surplus release dates are assigned by GSA Region 9 for all reportable aircraft; i.e., any combat or noncombat aircraft in "9" condition or better. Aircraft which are not reportable to Region 9 will be processed for donation by the regional office in which the aircraft is located. The Federal utilization screening period is 60 days and, upon expiration of the SRD, aircraft not required for Federal utilization become available for donation for a 21-day period. A detailed description of the aircraft and its fair value shall be included in the offering.

(c) Each SF 123, Transfer Order Surplus Personal Property, for reportable aircraft will be forwarded by the applicant State agency, service educational activity (SEA), or public airport to GSA Region 9 for approval. SF's 123 for nonreportable aircraft will be forwarded to the GSA regional office in which the aircraft is located. All regions will report aircraft donation statistics to the Central Office in accordance with established reporting procedures.

(d) Reportable civil agency aircraft for which utilization or donation requirements do not exist will be reported by GSA Region 9 to the appropriate GSA regional office in which the aircraft is located for sales actions.

(2) Donations of aircraft to public agencies and eligible nonprofit tax-exempt activities.

(a) For the donation of aircraft to public agencies and eligible nonprofit, tax-exempt activities, the SF 123, together with the donee's letter of intent, must be processed through the State agency for the State in which the donee is located before submission to GSA for approval. The letter of intent shall set forth a detailed plan of utilization for the property and be signed and dated by the authorized representative of the proposed donee. Letters of intent shall provide the following information:

(i) Identification of the applicant, including the activity's complete address and the name, title, and telephone number of its authorized representative. Schools should describe their aviation programs and state the enrollment in these programs;

(ii) Description of the aircraft requested, including the type, model, engines, serial numbers, and GSA control number (if reported to GSA);

(iii) The number and types of aircraft currently owned by the applicant, including how they were acquired and how they are utilized; and

(iv) Details on the planned utilization of the aircraft. The letter of intent should indicate whether the aircraft is to be used for flight purposes or nonflight purposes (including ground instruction or simulation use). When the aircraft is requested for cannibalization (recovery of parts and components), the letter of intent should provide details. Schools should state whether the acquisition or retention of Federal Aviation Administration (FAA) certification depends on acquisition of the requested aircraft.

(b) A State agency should not submit more letters of intent for aircraft reported under a given GSA control number than the number of aircraft reported. Letters of intent requesting aircraft which are forwarded to GSA should be accompanied by a covering document that is signed by the director of the State agency and contains the following information:

(i) Confirmation of the applicant's eligibility;

(ii) An evaluation of the applicant's ability to use the aircraft for the purpose stated in the letter of intent; and

(iii) Any supplemental information concerning the needs of the donee which may be of value in making the allocation.

(c) In order to prevent donee pickup of aircraft before execution of the appropriate donation documents, GSA will not transmit to a Federal holding agency an approved SF 123 authorizing the release of aircraft prior to the GSA allocating office's receipt of copies of (1) a fully executed (signed by both the donee and the State agency) aircraft conditional transfer document; (2) an amended letter of intent if the aircraft allocated is a different type than the type requested by the donee's initial letter of intent or when there have been significant changes in the donee's program or planned use for the aircraft; (3) a fully executed State agency distribution document; (4) the State agency signed SF 123; and (5) a transmittal letter from the State agency certifying to the applicant's eligibility. Furthermore, the State agency shall list itself in block 11 of the SF 123 with the provision that it will contact the donee to arrange pickup. The SF 123 must also have typed thereon, in the lower part of block 12, the name and complete address of the donee along with the name, title, and tele phone number of the donee's authorized representative. Upon receipt of the approved SF 123, the State agency shall provide an executed copy of the aircraft conditional transfer document, the donee's letter of intent, and the State agency distribution document applicable to the donation to its GSA regional office.

(d) The State agency is required to impose the following use conditions on the donation of aircraft to be used for flight purposes:

(i) The aircraft is to be used solely in accordance with the plan of utilization set forth in the donee's letter of intent unless the State agency, in writing, authorizes a change in the donee's plan of utilization; and

(ii) The donee must agree to apply to the Federal Aviation Administration (mailing address: FAA-Aircraft Manufacturing Division, Post Office Box 25082, Oklahoma City, Oklahoma 37125) for registration of an aircraft intended for flight use within 30 calendar days of receipt of the aircraft.

(e) For combat-type aircraft, as designated by DOD:

(i) The State agency is required to impose a period of restriction on the use of the property which shall be in perpetuity and shall not be released by the State agency without the prior written approval of GSA; and

(ii) During the period of restriction, the donee must not sell, trade, lease, lend, bail, encumber, or cannibalize for parts unless provided for in the donee's plan of utilization, or otherwise dispose of the aircraft or parts thereof without the written approval of GSA.

(f) If a combat-type aircraft is no longer usable or further needed by the donee, the donee must promptly notify the State agency and:

(i) Release the aircraft to another donee as determined by the State agency. In such cases, the transfer must be subject to the same use conditions as required herein;

(ii) Release the aircraft to a department or agency of the United States as determined by GSA;

(iii) Sell the aircraft as determined by GSA; or

(iv) Render the aircraft completely unfit for any purpose except for the recovery of its basic material content as determined by GSA, the same to be performed in a manner satisfactory to the State agency, and the material content to be disposed of in accordance with the instructions of the State agency.

(g) When a combat-type aircraft is disposed of by the donee without the prior written approval of GSA or is used for a purpose other than the purpose stated, the donee, at the option of GSA shall be liable to the United States of America for the proceeds of the disposal, the fair market value, or the fair rental value of the aircraft at the time of unauthorized transaction or use, as determined by GSA.

(h) In the event of a breach by the donee of any of the above conditions pertaining to a combat-type aircraft, whether caused by the legal inability of the donee or its successor in function to perform said conditions or otherwise, all rights, title, and interest in and to the aircraft shall, at the option of GSA, revert to and become the property of the United States of America and the donee, or its successors or assigns, shall forfeit all of its or their rights, title, and interest in and to the aircraft.

(i) For any noncombat aircraft donated for nonflight use, the State agency must obtain and destroy the aircraft historical records (except the records of the major components/life limited part; e.g., engines, transmissions, rotor blades, etc., needed to substantiate their reuse), and so certify in writing to the FAA. The State agency must obtain the manufacturer's aircraft data plate and send it to the GSA regional office for forwarding to the FAA. Both the State agency's certification and the data plates are to be sent to the FAA at the following address: Chief, Aircraft Manufacturing Division, Office of Airworthiness, FAA, 800 Independence Avenue, SW., Washington, DC 20591.

(j) The State agency may also impose other terms, conditions, reservations, or restrictions on the use of donated aircraft which are not inconsistent with the conditions set forth in this handbook.

(k) In the case of combat-type aircraft, the State agency must not grant waivers, amendments, modifications, or releases to the conditions required to be imposed by GSA on the use of the property nor issue disposal instructions to the donee for the aircraft without the prior written concurrence of GSA.

(l) Any breach by the donee of any conditions imposed by GSA on the donation of any aircraft must be reported immediately by the State agency to GSA.

(m) The special handling and use limitations imposed by GSA on the donation of aircraft as well as the terms, conditions, reservations, and restrictions imposed by the State agency on the donee are set forth in figure 2-9.3, Noncombat-type aircraft conditional transfer document, [Link](#) and figure 2-9.4, Combat type aircraft conditional transfer document. [Link](#)

(3) Donations of aircraft to service educational activities.

(a) Donation of a surplus Department of Defense (DOD) aircraft to a service educational activity (SEA) must be made in accordance with the terms of the individual donation agreement executed by DOD and the SEA. The SF 123 with all required documentation is submitted for approval to the appropriate GSA regional office.

(b) Surplus combat-type DOD aircraft which have been demilitarized may be approved for donation by GSA to SEA's for nonflight use, for static display, or for ground instruction and simulation purposes.

(c) Surplus DOD noncombat- and commercial-type aircraft may be approved for donation by GSA at the request of DOD for flight purposes by SEA's subject to the following use conditions and agreements which DOD shall require of the donee:

(i) The aircraft shall be used solely in connection with the plan of utilization set forth in the donee's letter of intent unless DOD authorizes a change in writing to the donee's plan of utilization;

(ii) The donee must apply to the FAA for registration within 30 days of receipt of the aircraft; and

(iii) When the aircraft is no longer usable or needed by the donee for the original purposes for which it was acquired, the donee must return the aircraft, at its expense, to the nearest DOD disposal activity.

(4) Donations of aircraft for public airport purposes.

(a) When a surplus aircraft is allocated for public airport purposes, the SF 123 and the donee's letter of intent must first be processed by and through the FAA before submission to GSA for approval.

(b) Surplus cannibalized or demilitarized aircraft may be approved for donation by GSA to a public airport for use in firefighting and rescue training. However, flyable aircraft will not be approved for donation for public airport purposes.

c. Automatic data processing equipment (ADPE).

(1) Copies of ADPE excess reports (SF's 120), other than those excluded by FIRMR 201-33.001 (provides for excess ADP supplies and support equipment with a unit acquisition cost of \$1,500 or less to be reported directly to the region of location), and notices of Federal transfers or withdrawals will be provided by the Central Office to the regional office of location. Copies are distributed to the State agencies at the discretion of the regional offices receiving the SF's 120.

(2) SF's 120 covering excess ADPE that is generated at classified Department of Defense activities will not show the location of the property for security reasons. When this is the case, State agencies may put a "blind freeze" on items believed to be needed for donation purposes. At the end of the normal donation screening period, the Defense Automation Information Center (DARIC) will direct expedited shipment of the frozen property to the owning activity's servicing Defense Reutilization and Marketing Office and notify the State agencies that placed a hold on the property where it can be inspected. The State agencies then have 15 calendar days to inspect the property and accept or reject it. At the end of the 15 days, any property not taken by the State agencies will be released for sale.

(3) ADPE must be allocated and transferred as stated in ch. 2-5i.

(4) Regional offices must send the original and two copies of approved SF's 123 for military ADPE to

the Director, Defense Logistics Agency, Attn: DARIC, Room 3C442, Cameron Station, Alexandria, VA 22314, with a copy to the State agency or other authorized donee. Upon receiving the SF 123, DARIC sends the original to the DOD holding activity authorizing the property to be released to the donee if it is available. An information copy of the DARIC transmittal letter goes to the GSA regional office. Processing SF's 123 for civil agency ADPE is done by regional offices the same as for any other property.

(5) Civilian agency ADPE not transferred upon completion of the donation screening cycle must be reported to the regional sales office.

d. Items with lethal characteristics.

(1) Firearms. Except as provided in (3), below, it is GSA policy not to approve the donation of any firearms, ammunition, explosives, fired brass, nuclear weapons, or other items which, if released, would be dangerous to the public health or safety.

(2) Knives. Items identified as switch-blade knives shall not be made available or approved for donation. Knives of this type, not utilized by Federal agencies, shall be returned to the reporting activity for melting, deep water dumping, crushing, or cutting and scrapping.

(3) Expendable small arms ammunition cartridge cases. Expendable cartridge cases (under .50 caliber) may be approved for transfer to State agencies for donation to State and local governments for law enforcement purposes only. The following certificate of agreement is required to be executed concurrent with the donation of the cartridge cases. The State agency must provide the GSA regional office with a copy of the certificate from all donees acquiring the cartridge cases.

CERTIFICATE OF AGREEMENT

1. The donee warrants that the expended small arms ammunition cartridge cases received under this agreement will be reloaded and used only for law enforcement purposes, and will not be disposed of for any other purpose without the express authorization of GSA.

2. The donee is cautioned that articles or substances of a flammable, toxic, or explosive nature may remain in the property, notwithstanding the care exercised to remove same. The U.S. Government assumes no liability for damages to the property of the transferee or donee, or for personal injuries,

disabilities, or death to the transferee's or donee's employees or to any other person arising from or incident to the transfer or donation of this material or its use or disposition. The donee shall hold the Government harmless from any and all such demands, suits, actions, or claims of whatsoever nature arising from or out of the transfer or donation of this material.

Receiving Organization

Document Number

Authorized Official

Date

e. Bedding and upholstered furniture. An SF 123 submitted to GSA for transfer for donation of bedding and upholstered furniture shall not be approved unless the State agency or service educational activity includes a statement on the front of the SF 123 that the material will be treated in accordance with applicable State law and regulations before reuse.

f. Tax-free alcohol or specially-denatured alcohol.

(1) When tax-free or specially-denatured alcohol is requested for donation, the donee must possess a special permit to acquire the property issued by the Assistant Regional Commissioner of the appropriate regional office, Bureau of Alcohol, Tobacco, and Firearms (BATF), Department of the Treasury.

(2) An SF 123 submitted for transfer for donation of tax-free or specially-denatured alcohol shall not be approved unless the appropriate BATF use permit number is shown.

(3) A State agency may not store tax-free or specially-denatured alcohol in distribution centers. This property must be transferred from holding agencies direct to the designated donee.

g. Franked and penalty envelopes and paper with official letterhead. An SF 123 submitted to GSA for transfer for donation of paper with an official letterhead or for transfer for donation of franked or penalty envelopes on which the penalty indicia has not been obliterated shall not be approved unless the State agency or other donee includes a statement certifying that the indicia and all other Federal Government markings on the envelopes and paper will be completely obliterated before they are used.

h. Pesticides and herbicides. An SF 123 requesting transfer for donation of pesticides and herbicides not registered with the Environmental Protection Agency (EPA), shall not be approved by a GSA regional office until it has received full clearances for use of the property from the appropriate EPA regional office.

i. Donation of vessels. An SF 123 submitted for transfer for donation of a vessel which is 50 feet or more in length must be accompanied by a letter from the intended donee setting forth the proposed use of the vessel. The State agency must list itself in block 11 of the SF 123, indicating that it will contact the donee to arrange pickup. Each donee, as a condition of the donation, must agree to obtain documentation of the vessel under applicable laws of the United States and the several States, to maintain this documentation at all times, and to record each document with the U.S. Coast Guard at the port of documentation of the property within 60 days after acquisition of the vessel, and in compliance with applicable State laws. To be documented, the vessel must comply with the applicable requirements of 46 CFR 67 and 69. Vessels may be required by 46 CFR 67.79 to undergo inspection by the Coast Guard and be issued a Certificate of Inspection prior to being issued documents. Any bill of sale, conveyance, mortgage, or any other instrument of title will be recorded at a vessel's homeport only if it complies in full with the recording requirements specified in the Ship Mortgage Act, 1920, as amended (46 U.S.C. 911 et. seq.).

j. Donation of certified and noncertified electronic products.

(1) For the purpose of this subparagraph, "certified electronic product" means any excess electronic product that has been determined by GSA to be surplus to the needs and responsibilities of all Federal agencies, and which bears the manufacturer's certification label or tag (21 CFR 1010.2) indicating that the product meets applicable radiation safety performance standards prescribed by the Food and Drug Administration (FDA) under 21 CFR 1020. "Noncertified electronic products" are electronic products of a type subject to but manufactured before the effective date of such FDA performance standards; for example, an old model TV set or an electronic product which has been exempted from an applicable standard and is so labeled.

(2) Surplus certified and noncertified electronic products not required for transfer to Federal agencies as excess personal property may be donated to public agencies for authorized public purposes, to nonprofit tax-exempt activities, to service educational activities, and to public airports as follows:

(a) Under the provisions of (3), below, in the case of:

- (i) Noncertified color and black and white television receivers;
- (ii) Noncertified microwave ovens;
- (iii) Certified and noncertified diagnostic X-ray systems and their major components;
- (iv) Certified and noncertified cabinet X-ray systems;
- (v) Noncertified laser products; or
- (vi) Any other noncertified electronic product for which FDA may promulgate a performance standard.

(b) Only under conditions of destructive salvage in the case of noncertified cold-cathode gas discharge tubes.

(3) Whenever electronic products designated in (2)(a), above are donated, the State agency, DOD, or FAA, as applicable, must:

(a) Provide the applicable State radiation control agency (see FPMR 101-45.4809) with a copy of the SF 123 and the name and address of the donee; and

(b) Require the donee to certify on the SF 123 that it:

(i) Is aware of the potential danger in using the product without a radiation test to determine the acceptability for use and/or modification to bring it into compliance with the radiation safety performance standard prescribed for the item under 21 CFR 1000, and agrees to accept the item from the holding agency for donation under those conditions;

(ii) Agrees the Government assumes no liability for the personal injuries, disabilities or death of the donee, the donee's employees, or any other person arising from or incident to the donation of the item, its use, or final disposition; and

(iii) Agrees to hold the Government harmless from any or all debts, liabilities, judgments, costs, demands, suits, actions, or claims of any nature arising from or incident to the donation of the item, its use, or final disposition.

k. Donation of sports cars, convertibles, and limousines. State agencies and regional offices must use discretion when requesting or approving allocations of sports cars, convertibles, and limousines for donation for administrative use. The State agency must require all donees to provide a statement justifying the proposed administrative use of the vehicles. Before distribution, the State agency must review the donee's justification and decide whether donation of the vehicle will reflect adversely on the Federal Government or the donation program. State agencies are not required to send the donee's justification to GSA with the SF 123. However, GSA may request the statements when needed to allocate the vehicles fairly.

l. Ecclesiastical item. Ecclesiastical items approved for donation will be handled in a manner to ensure that they are accorded proper respect and are not discredited in any manner. As a general rule, these item will be transferred directly from generating points to authorized donees to fill existing needs. Items such as candlesticks, vases, candelabras, and candle lighters, etc., having no definite ecclesiastical insignia or significance, may be received into State agency distribution centers for subsequent donation.

m. Military radiofrequency devices.

(1) Donees receiving surplus military radio equipment must be informed of the following laws and regulations pertaining to the use of such equipment:

(a) The Federal Communications Commission (FCC) requires that radio receivers, transmitters, and other radiofrequency devices in the range of 10KHz be licensed for operation. This licensing requirement applies to both airborne and ground-operated equipment;

(b) Military radiofrequency devices in these ranges may or may not meet FCC requirements, and if not, cannot be licensed for operation;

(c) The operation of radiofrequency devices which do not comply with FM rules and regulations is a violation of Federal law, 47 U.S.C. 302a, and is punishable under 47 U.S.C. 501 and 502. The State agency must require the donee to agree, in writing, that the use of the radiofrequency devices will be conducted in compliance with the rules and regulations of the FCC, and that upon failure to comply with the law, GSA may demand return of the equipment.

(d) There is no requirement for licensing if the radio frequency devices are to be used for instructional or training purposes, or are donated solely for the purpose of securing parts or components.

(2) A publication entitled "Radio Equipment List - Equipment Acceptable for Licensing" may be obtained at a cost of \$25 per copy from: Downtown Copy Center, 1730 K Street, N.W., Washington, D.C. 20036.

n. Military clothing. Before expressing an interest in the donation of military clothing, State agencies should determine whether or not alterations are required and who shall accomplish them where required.

o. Distilling apparatus.

(1) Donation documents listing a still or distilling apparatus must include the following statement: "If the distilling apparatus listed under item _____ is intended to be used for distillation or recovery of distilled spirits or alcohol, it must be registered with the Bureau of Alcohol, Tobacco and Firearms (BATF), Department of the Treasury, in accordance with Title 26, Code of Federal Regulations, Part 196." There is no requirement for registering distilling apparatus if the intended use is other than for the above purpose.

(2) When a still or distilling apparatus is disposed of by authorized sale, except as scrap or salvage, the State agency shall advise the buyer of the requirement for registration with the BATF. When a still or

distilling apparatus is sold as scrap or salvage, it will be rendered useless for distilling purposes by crushing, hole punching, etc.

p. Highly sensitive items including gold, silver, platinum and mercury. Allocation, controls and surveillance actions must be made a part of each case file containing highly sensitive items requested for donation, including gold, silver, platinum and mercury. Requests for significant quantities of these items amounting to \$500 or more in original acquisition cost per line item shall be coordinated with the Central Office.

q. Civil defense radiological equipment. Any civil defense radio logical equipment received by State agencies containing distinctive civil defense insignias and identification or nomenclature shall not be distributed to eligible donees until such time as the markings have been completely obliterated or removed by the State agency.

r. M151 Vehicles. M151 vehicles have been identified as a hazard to the safety of public highway users, and eligible donees are not authorized to acquire these vehicles under the donation program without mutilation. Mutilation of M151 vehicles must result in the unitized body of the vehicle being cut, crushed or mangled in such a manner as to completely preclude rebuild into a usable unitized body. The following certification must appear on the face of all copies of the SF 123 and distribution documents listing M151 jeep components and parts:

"The undersigned hereby certifies that the M151 components and parts identified hereon or by attachment hereto, will not be reassembled as a vehicle for highway use."

SIGNED _____ DATE _____
Authorized Official

s. Mobile homes. A potential fire hazard exists in the electrical wiring system of some mobile homes and house trailers. The following certification must be typed or stamped on the front side of the State agency distribution document and signed by the authorized representative of the donee institution prior to releasing mobile homes or house trailers to donees:

"Upon acceptance of this property it is agreed that the house trailer or mobile home transferred by this document will be inspected and made to comply with applicable State and local fire safety and health codes applicable to its intended use."

By _____ DATE _____
Authorized Donee Representative

t. Gas masks and body armor. Gas masks and body armor may be donated only to donees who come under the purview of public safety. The following certification will be required on the face of all copies of the SF 123 and distribution documents listing surplus gas masks and body armor:

(1) Certification by State agency on SF 123.

"The (State Agency Director) hereby certifies that the property requested on this application will be safeguarded, dispensed, and controlled under competent supervision, and that adequate facilities are available to effect full accountability and proper storage of the property. The State agency further certifies that any property not distributed to eligible donees will be reported to the appropriate GSA regional office for disposition instructions."

(2) Donee certification.

"The (Donee) hereby certifies that the property acquired by this distribution document will be safe guarded, stored, kept serviceable and accounted for under competent supervision at all times. It is further certified that when this property is no longer needed, the serviceable items will be reported to the State agency director for disposition instructions. Any property which is worn out will be so mutilated by the donee that there will be no possibility of its use as an item."

u. Surplus military personnel and cargo parachutes. Serviceable parachutes must be individually inspected by a Federal Aviation Administration certified parachute loft for certification of airworthiness prior to donation. Expenses incurred incident to the inspection for parachutes conditionally allocated will be borne by the requesting State agency. Included will be transportation charges for the return of parachutes rejected by the loft. Payment will be made as required by the holding agency. State agency distribution documents covering serviceable parachutes must have the following statement conspicuously placed on the front thereof:

"The Government assumes no liability for damages to property distributed by this document or to the consignee's employees, or to any other person arising from or incidental to the donation of this material or its use, or disposition. The donee will hold the Government harmless from any and all claims."

SIGNED _____ DATE _____
Authorized Donee Representative

v. Donation of aircraft and combat vehicle crew helmets.

(1) It has been determined that not all of the aircraft helmets or combat vehicle crew helmets used by the military services meet the requirements of Z90.1-1971, American National Standard Specifications for Protective Headgear for Vehicular Users. Furthermore, because of different design criteria, aircraft helmets and combat vehicle crew helmets are not recommended as substitutes for approved motorcycle helmets even when requirements of the standard are met. In view of the above, as a safety measure, the Department of Defense (DOD) requires that a warning tag or other device be attached to all surplus aircraft helmets and combat vehicle crew helmets, advising the donee/purchaser that the helmets should not be used for other than their intended purposes. DPDS Form 55, Warning, has been developed for this purpose.

(2) Prior to distribution, the State agency must assure that the warning tag attached by DOD remains on the helmet; lost warning tags must be replaced. The warning tag may be removed only by the donees to whom they are issued. In addition, the following precautionary statement is required on the face of all copies of the SF 123 and distribution documents listing surplus helmets:

"WARNING: This device has been designed to be used as headgear in the operation of aircraft/combat vehicles. It does not meet the requirements of Z90.1-1971, American National Standard Specifications for Protective Headgear for Vehicular Users. As such, it is NOT recommended as a substitute for approved motorcycle helmets."

w. Donation of Polychlorinated Biphenyls (PCB's). The term PCB refers to any chemical substance and combination of substances that contain 500 parts per million (on a dry weight basis) or greater of PCB's, and the term PCB-contaminated refers to any chemical substance and combination of substances that contain higher than 50 ppm and lower than 500 ppm (on a dry weight basis) of PCB's. Items which commonly contain PCB's are transformers (name plates will provide data on dielectric fluid), capacitors (2000 volt and over 3 lbs. liquid dielectric), electric motors (mining equipment using PCB fluid as a coolant), hydraulic systems, and heat transfer systems. Items containing PCB's which are properly marked in accordance with EPA regulations may be donated if they are intact and not leaking. Unmarked items containing PCB's or suspected of containing PCB's cannot be donated. All PCB items have to be in

usable condition and in working order when being donated. These items must not be donated as waste. No PCB or PCB-contaminated items shall be approved by GSA unless:

- (1) A specific donee has been determined;
- (2) The SF 123 is accompanied by a letter of justification from the donee stating the proposed use of the property and citing the specific provision in 40 CFR Part 761 that permits continued use of the item; and
- (3) The SF 123 cites the specific provision in 40 CFR Part 761 that permits continued use of the item and contains a certification that:
 - (i) The property has been inspected by the transferee and complies with all the use, inspection, labeling, and other provisions of 40 CFR Part 761; and
 - (ii) The item will be handled and disposed of in accordance with U.S. Environmental Protection Agency regulations and applicable State laws.

x. Munitions list items (MLI) requiring demilitarization. The term demilitarization includes mutilation, cutting, crushing, melting, burning, or alteration designed to prevent the further use of MLI for the originally intended military or lethal purpose. The basic guidance for demilitarization procedures is contained in the Defense Demilitarization Manual, DOD 4160.21-M-1. Additional information can be found in the Disposal Operating Procedures, DPDS-H 4160.3, Vol. I. Items on the U.S. Munitions List that are subject to demilitarization requirements are required to be identified with the appropriate one-letter demilitarization codes listed in (3), below. As prescribed by FPMR 101-44.108-4, the applicable demilitarization codes assigned by the Department of Defense shall be perpetuated on all property records and reports of excess and surplus property. Donation requests for MLI requiring demilitarization shall include the demilitarization code on the transfer document (SF 123; DD 1149, Requisition and Invoice/Shipping Document; and the State agency distribution document) and a signed demilitarization agreement that reads as follows:

"The recipient agrees by date and signature below that required demilitarization will be accomplished as prescribed by DOD 4160.21 M-1, Defense Demilitarization Manual. All donations will be subject to a condition that prohibits further disposition of the items without prior approval of the General Services Administration and the Defense Logistics Agency. If the initial recipient receives approval for further disposition of a munitions list item, the demilitarization requirement will be perpetuated on the transfer documentation. Upon completion of the donation needs and in preparation for ultimate disposal, the donee will request demilitarization instructions from the General Services Administration through the State Agency for Surplus Property."

(1) A certification of demilitarization will be required for MLI demilitarized by a donee. The certification shall be signed by the authorized donee representative accomplishing the demilitarization and counter signed by the State agency representative who inspected the completed demilitarization. The certification of demilitarization will be made part of the State agency's official records, and shall read as follows:

"I, (name of authorized donee representative), on behalf of (name of eligible donee), certify that (identify items) were demilitarized in accordance with (cite specific instructions included on the SF 123, DD 1149, or State agency distribution document)."

(2) When it is determined that the donee is not capable of effectively demilitarizing a MLI, the donee, through the State agency, will be instructed by GSA to turn in the MLI to the nearest Defense Property Disposal Office.

(3) There are 13 demilitarization codes in use; however, the provisions of this subparagraph apply only to items identified with five of the codes. The five codes and related demilitarization instructions are as follows:

C--MLI--Remove and/or demilitarize installed key point(s), or lethal parts, components, and accessories.

D--MLI--Demilitarize by mutilation (make unfit for intended purpose) by melting, cutting, tearing, scratching, crushing, breaking, punching, or neutralizing. (As an alternative, burial or deep water dumping may be used when authorized.)

E--MLI--Demilitarize by burning, shredding, or pulping.

F--MLI--Demilitarization instructions to be furnished by the item manager.

L--MLI--Demilitarize by mutilation (make unfit for intended purposes) by melting, cutting, tearing, scratching, crushing, breaking, punching, or neutralizing. (As an alternative, burial or deep water dumping may be used when authorized.) This code will be applied only to items identified as being a component of a key point on a major end item.

y. Wooden ammunition boxes. The Department of Defense, as a precautionary measure, requires the following warning statement to be included with all transactions involving wooden ammunition boxes which may have been treated with pentachlorophenol. This warning statement is required on the face of all copies of the SF 123 and distribution documents listing wooden ammunition boxes. If there is insufficient space on the face of the documents, then the reverse side, or an attached sheet, may be used. The warning statement must be signed by the recipient. The GSA approving official shall ensure that the SF 123 includes the State agency's signed statement prior to approval. The State agency, before releasing any of these boxes to eligible donees, shall have the authorized donee representative sign the warning statement. The statement reads as follows:

"WARNING: The wood in the ammunition boxes of the above listed items has been (or may have been) treated with varying amounts of chemical preservatives. The amount of residual pentachlorophenol (PCP) will vary because of the porosity of wood. The following precautions should be taken while handling the boxes to minimize the possibility of allergic reactions such as skin rashes. Gloves and aprons of rubber, vinyl, or other nonporous materials should be worn. Because of the vaporization potential of PCP, treated wood should not be burned. Cutting, sanding, and planing of treated wood are not recommended. However, when disturbing the wood in any way such as this, the following precautions should be taken: (1) Protective clothing such as gloves, aprons, coveralls, eye protection, and boots should be worn; (2) Adequate ventilation should be made available so as to remove particles away from the operator's breathing zone; (3) Respirators of the type to capture and remove PCP fumes should be available at all work stations; and (4) A vacuum system should be available to pick up wood particles.

Recipients agree to include the above warning in any subsequent resale or transfer of ownership of these boxes."

SIGNED _____ DATE _____
State Agency Director or Authorized
Donee Representative

z. Paints. Due to the health hazard inherent in lead-based paints, and in accordance with existing regulations, the following warning and certifications are required on the face of all copies of the SF 123 and distribution documents listing surplus paints:

(1) Warning and certification by State agency on SF 123.

"WARNING: This paint may contain lead and may be harmful if eaten or chewed.

The surplus paint requested under this instrument will be released to an eligible donee only upon certification by the administrative officer thereof that any lead-based paint so acquired will not be applied on toys and other children's articles, furniture, or interior surfaces of any dwelling or facility which may be occupied or used by children; and that it will not be applied on exterior surfaces of dwelling units, such as window sills, porches, stairs, or railings, to which children may be commonly exposed."

(2) Warning and certification by donee on distribution document.

"WARNING: This paint may contain lead and may be harmful if eaten or chewed.

The ____ (Name of Donee) hereby certifies and agrees that lead-based paints acquired under this instrument will not be applied on toys and other children's articles, furniture, or interior surfaces of any dwelling or facility which may be occupied or used by children; and that it will not be applied on exterior surfaces of dwelling units, such as window sills, porches, stairs, or railings, to which children may be commonly exposed."

SIGNED _____
Authorized Donee Representative DATE

aa. Radioactive materials, radium and radioactive isotopes. Some items of property available for donation may contain components or have luminous markings which are capable of emitting isotopic radiation in varying degrees. As a precautionary measure, the Defense Utilization and Disposal Manual (DOD 4160.21-M) specifies that the statement below be shown in a prominent place on the front of each shipping document releasing property to the donation program. The State agencies must, when releasing such property received under a DOD invoice, or when releasing any other radioactive material or equipment, print this notice of caution on their distribution document:

"CAUTION: Donees are warned that some property donated hereunder, such as, but not limited to, switches, circuit breakers, knobs, controls, pointers, instrument dials, markers, etc., may be capable of emitting ionizing radiation in varying degrees due to the use of luminous paint for markings. Various electron tubes may also be capable of emitting ionizing radiation in varying degrees. The Government assumes no liability for damages to the property of the donee, or for personal injuries or disabilities to the donee or the donee's employees, or to any other person arising from, or incident to, the donation of this material, its use or disposition by the donee. Acceptance of this property means that the donee will hold the Government harmless from any and all such claims."

State agencies will obtain the advice and concurrence of the Regional Program Representative for Radiological Health in their region before requesting radium or radioactive isotopes. Radium or radioactive isotopes will not be received in the State agency distribution centers. It will be released from the holding activity directly to the donee institution.

14. Donation screening period.

a. A period of 21 calendar days following the surplus release date is provided to set aside surplus reportable and nonreportable property, except for contractor inventory, determined to be usable and necessary for donation purposes. Reportable surplus property is set aside for donation when an application for donation, with an informational copy to the holding activity, is submitted to a GSA regional

office for approval within the donation screening period. Nonreportable surplus property is set aside for donation upon notification to a holding activity within the donation screening period by a responsible Federal official, a State agency representative, or an authorized donee representative that the property is usable and necessary for donation purposes. Each holding activity must annotate nonreportable property records to indicate to authorized State agency or donee representatives or responsible Federal officials the date of the surplus determination by the holding agency.

b. During the prescribed 21-day donation screening period, applications for surplus personal property shall be processed in the following sequence:

(1) Department of Defense personal property reportable to GSA will be reserved for public airport donation during the first 5 days of the donation screening period and during the next 5 days for service educational activities. During the remaining portion of the donation screening period, the property will be available on a first-come, first-served basis to all applicants.

(2) Executive agency personal property reportable to GSA, other than personal property of the Department of Defense, will be reserved for public airport donation during the first 5 calendar days of the donation screening period. During the remaining portion of the donation screening period, the property will be available on a first-come, first-served basis. This property is not available for donation to service educational activities.

(3) All executive agency personal property not reportable to GSA will be made available for donation on a first-come, first-served basis. Service educational activities are not eligible for donation of nonreportable surplus personal property of executive agencies other than the Department of Defense.

c. A total of 75 days is established for the screening and offering of excess DOD reportable contractor inventory including industrial plant equipment. Military contracting offices will forward copies of inventory schedules to the GSA regional office for the geographic area in which the property is physically located. On the 75th day, property not required for Federal utilization becomes available for donation screening for a 15-day period, prior to release for further disposal. Approved SF's 123 will be forwarded by the GSA regional office to the appropriate plant clearance officer.

15. Extended surplus release date. In the event the SRD is extended to complete donation action, the holding activity shall be notified of the extension.

16. Standard Form 123, Transfer Order Surplus Personal Property.

a. SF 123 (figure 1-16.1 [Link](#)) and SF 123-A, Transfer Order Surplus Personal Property (Continuation sheet) (figure 1-16.2 [Link](#)), shall be used for the transfer for donation of all surplus personal property to public agencies for authorized public purposes, to eligible nonprofit, tax-exempt activities, to service educational activities, and to public airports.

b. Instructions for preparing and processing the SF 123 are contained in figure 1-16.3.

Figure 1-16.3. Instructions for preparing and processing SF 123

A. Preparing Standard Form 123.

1. General.

a. The Standard Form 123 must include all Information required to be entered on the form. Particular care should be taken to ensure that the transfer order indicates the surplus release date (SRD) , sometimes referred to as the automatic release date (ARD); identifies property as reportable or nonreportable; shows applicable GSA, Department of Defense CDOD), and holding activity control or report numbers; indicates the holding agency document or voucher number for nonreportable property; and contains authorized signatures in ink on the original (copies of transfer orders may have stamped signatures). All other entries must be typed or printed. All city and State addresses shown on the form should include the ZIP code. Transfer orders received without sufficient information will be returned to the applicant or held in suspense until the missing information is obtained from the appropriate source. SF 123-A (Continuation Sheet) shall be used for listing additional property.

b. Separate transfer orders should be prepared for:

- (1) Reportable property located at a single holding agency;
- (2) Nonreportable property located at a single holding agency;
- (3) Reportable property listed at different holding agencies; and
- (4) Nonreportable property located at different holding agencies.

c. Recognized abbreviations for Federal agencies or donee organizations may be used in completing SF 123; e.g., GSA (General Services Administration); FAA (Federal Aviation Administration, Department of Transportation); SA (State agency); BSA (Boy Scouts of America); and DPDS (Defense Property Disposal Service).

2. Adjustments and disapprovals. Any adjustment or partial disapproval made for the property listed in block 12 shall be initialed by the representative and/or officer signing in block 13b, 13d, 14b, or 14e. When a transfer order is disapproved in its entirety, the representative or officer who disapproves the action will return the SF 123 to the applicant with an explanation of the disapproval. When a line item is disapproved, it will be crossed out, marked "disapproved,,, and initialed by the representative or officer making the deletion.

3. Entries.

a. Order Number (a) (block 1) . Enter the State serial number and/or transfer order and control numbers assigned by DOD, FAA, or the donees. If the continuation sheet (SF 123-A) is used, it must contain the same transfer order number (a).

b. Type of Order (block 2). Insert "XI" in the appropriate square to identify the type of order.

c. Surplus Release Date (block 3). Enter the surplus release date, sometimes called the automatic release date, as follows:

(1) DOD property reported to DPDS only. The correct date may be obtained from DPDS or the holding activity.

(2) DOD property reported to GSA through DPDS. The correct date may be obtained from DPDS, GSA, or the holding agency.

(3) Executive agency property reported directly to GSA. The correct date may be obtained from GSA or the holding activity.

(4) Property not reported to DPDS or GSA. The surplus release date is assigned by the holding agency (property disposal officer) and must be obtained therefrom. When nonreported property items with several surplus release dates are listed, each date should follow the respective line item and block 3 will not be completed.

d. Set Aside Date (block 4). Enter the date on which nonreported property was set aside at the holding agency by an authorized donee representative, pursuant to FPMR 101-44.109. The insertion of a set-aside date will indicate to the GSA office that the property is available as surplus and that the holding agency has agreed to set the property aside pending receipt of donation approval.

e. Type of Property (block 5). Insert "X" in the appropriate square to identify the property as reportable or nonreportable to GSA. An "X" shall not be inserted to identify the property as nonreportable when any property listed is either reportable to GSA or had previously been reported on SF 120 to GSA in accordance with FPMR 101-43.311. Reportable property never loses its identity.

f. Total Acquisition Cost (block 6). Enter the sum of all the total costs shown under block 12 (g) and on continuation sheets when appropriate.

g. General Services Administration, Federal Supply Service, Personal Property Division (block 7). Add the street address, city, State, and ZIP code of the appropriate GSA office.

h. Location of Property (block 8). Insert the actual location of the property, including if available the warehouse or building number, street address, city, State, and ZIP code or other specific location of the property listed in block 12.

i. Holding Agency (block 9). Enter the complete name and address of the holding agency, including ZIP code; i.e., the executive agency which has accountability and administrative control over the property. It may or may not be the same as the property location.

j. For GSA Use Only (block 10). The GSA regional office will enter the appropriate codes in order to satisfy automated control reporting requirements.

k. Pickup or Shipping Instructions (block 11). Insert the name, address, including ZIP code, and telephone number of the State agency or donee representative to be notified of property availability when the property listed in block 12 is to be picked up. Enter shipping instructions when the property listed in block 12 is to be shipped. The applicant shall pay all transportation costs.

l. Surplus Property List (blocks 12(a), (b), (c), (d), (e), (f), and (g)).

(1) Line Item Number. Enter in block 12 (a) the identical number assigned to the line item on the

document from which the control numbers indicated in block 12 (b) are selected.

(2) Identification Numbers. Enter in block 12 (b) pertinent identification numbers as follows:

(a) GSA control number. Military property reported to GSA through DPDS and all civilian and military agency property reported directly to GSA is assigned a GSA control number. The GSA control number may be obtained from the appropriate GSA office. In all cases in which a GSA control number was assigned, it must be entered on SF 123.

(b) DOD excess report number. All excess property reported to DPDS is assigned a DOD excess report number. For such property subsequently reported to GSA, the DOD excess report number may be obtained from GSA or the DPDO/holding activity. The DOD excess report number for DOD property screened by DPDS but not reported to GSA for screening may be obtained from DPDS or the DPDO/holding activity. In all cases in which a DOD excess report number was assigned, it must be entered on the SF 123.

(c) Holding agency control number. The holding agency assigns a control number for all reportable property. For nonreportable property, the holding agency assigns a document or voucher number. This control number can be made available by the holding agency, and in the case of reported property, by GSA or DPDS (for DOD property) as appropriate.

(3) Description. Enter in block 12 (c) the item description. Include national stock number and noun name, if available. Otherwise, furnish Federal supply class number and commercial description, when possible. This space on the form may also be used to insert additional data pertinent to the description of the property; e.g., serial numbers and packaging information.

(4) Condition Code. Enter in block 12(d) the identical condition code indicated for the line item on the document from which each item of property listed in block 12 (c) was selected. Condition codes are illustrated at FPMR 101-43.4901-120-1.

(5) Quantity and Unit of Issue. Enter in block 12 (e) the exact quantity and unit of issue (each, inches, feet, pounds, tons, dozen, gross, etc.) for each line item.

(6) Unit Acquisition Cost. Enter in block 12 (f) for each line item the acquisition cost of the unit of issue indicated in block 12 (e). This information is available from the document on which the property was originally listed.

(7) Total Acquisition Cost. Enter in block 12 (g) for each line item the total acquisition cost of the quantity of unit of issue indicated in block 12 (e). Care should be taken to ensure that the multiplication of the unit acquisition cost times quantity is correct.

m. Transferee Action (blocks 13a, b, c, d, and a).

(1) State agency. Enter in block 13a the name and address, including ZIP code, of the State agency which is making the request for the property. The authorized official of the State agency shall sign his name and enter his title in block 13b, and show in block 13c the date he signs the SF 123.

(2) Service educational activity. Enter in block 13a the name and address of the school, club, or council specifically designated by the service educational activity (SEA). Include the ZIP code and the county in which the service educational activity is located. The authorized donee representative (an officer of the school, club, or council authorized to request donable surplus property) shall sign his name and enter his title in block 13b, and show in block 13c the date he signs the SF 123. An authorized official of the national headquarters shall indicate approval by signing in block 13d and show in block 13e the date he signs the SF 123.

(3) Public airport. Enter in block 13a the name and address of the public airport or the authorized State aeronautical agency which is requesting the property. Include the ZIP code and the county in which the public airport or State aeronautical agency is located. The authorized official of the public airport or State aeronautical agency or its designated representative shall sign his name and enter his title in block 13b, and show in block 13c the date he signs the SF 123.

n. Administrative action.

(1) Determining Officer (DOD or FAA) (blocks 14a, b, and c).

(a) Department of Defense. For donation of nonreported surplus property to service educational activities, enter in block 14a the name and address, including ZIP code, of the property disposal officer controlling the property. He shall sign in block 14b and enter the date in block 14c. The property disposal officer shall not authenticate SF 123 for donations for a State agency or a public airport.

(b) Federal Aviation Administration. Enter in block 14a the name and title of the appropriate FAA official. He shall sign in block 14b and enter the date in block 14c.

(2) GSA Approving Officer (blocks 14d, e, and f). Enter in block 14d the name and title of the GSA officer approving the order. He will sign his name in block 14e and enter the date in block 14f.

B. Processing SF 123.

1. Public agencies and eligible nonprofit tax-exempt activities.

a. Upon a determination that surplus property is necessary and useful for public agencies and eligible nonprofit, tax-exempt activities, the State agency shall prepare and submit an original and five copies of SF 123 to the appropriate GSA office and send an information copy to the holding agency. The State agency official shall sign in block 13b. When the location of the property is different than the holding agency, an additional copy may be sent to the location for informational purposes. Block 11, "Pickup or Shipping Instructions," will be completed as well as blocks 13b and c.

b. At the time property is determined surplus and approved for transfer by GSA, the approving GSA office will complete SF 123 in blocks 14d, e, and f, and distribute the form as follows:

- (1) One copy to the allocating office case file;
- (2) One copy to the region of location within the allocating area or to the zonal allocating office, as appropriate;
- (3) One copy to the State agency;
- (4) Original plus one copy to the holding agency;
- (5) One copy to the appropriate allocating office if the State receiving the property is outside the allocating area in which the property is located; and
- (6) One copy to the State of location if the property is allocated outside the State.

c. The holding agency upon receipt of the SF 123 shall release the property for donation promptly in accordance with the pickup or shipping instructions.

2. Service educational activity.

a. DOD property reported to DPDS.

(1) Transfer orders for property listed in DPDS excess listings shall be initiated by a school or the national headquarters of the SEA by transmitting an original and five copies of SF 123 to its authorized donee representative. The SF 123 shall be completed except for block 13.

(2) The authorized donee representative shall complete blocks 13a, b, and c and return the original and four copies to the national headquarters if applicable. The fifth copy shall be retained by the authorized donee representative.

(3) The SEA national headquarters, if appropriate, or the sponsoring military service shall indicate approval by signing block 13d of the SF 123 and entering the date in block 13e. That activity shall then forward the original and three copies of the SF 123 to DPDS, retaining the fourth copy for its files.

(4) DPDS shall hold the SF 123 until it determines the property excess to the needs of DOD. When the property is determined excess, the SF 123 in the original and three copies, together with a copy of the excess report, shall be sent to the appropriate GSA regional office.

(5) At such time as the property is determined surplus and approved for transfer by GSA, the GSA office will complete blocks 14d, e, and f, retain one copy, send the original and one copy to the holding agency, and send an informational copy to the State agency for the State in which the SEA school, club, or council is located,

(6) The property disposal officer, upon receipt of the approved SF 123 from GSA, shall release the property to the authorized donee representative in accordance with the pickup or shipping instructions shown in block ii.

b. DOD property reported direct to GSA.

(1) Transfer orders shall be initiated by the authorized donee representative of the SEA by preparing an original and five copies of SF 123. The authorized donee representative shall complete blocks 13a, b, and c and send the original and four copies to the national headquarters if applicable. The fifth copy shall be retained by the authorized donee representative.

(2) The authorized official of the national headquarters shall indicate approval by signing block 13d of the SF 123 and entering the date in block 13e. He shall then forward the original and three copies of the SF 123 to the GSA regional office for the region in which the property is located, retaining the fourth copy for his files.

(3) At such time as the property is determined surplus and approved for transfer by GSA, the GSA office will complete blocks 14d, e, and f, retain one copy, send the original and one copy to the holding agency, and send an informational copy to the State agency for the State in which the SEA school, club, or council is located.

(4) The property disposal officer, upon receipt of the approved SF 123 from GSA, shall release the property to the authorized donee representative in accordance with the pickup or shipping instructions shown in block 11.

c. DOD property not reported to either DPDS or GSA.

(1) Transfer orders shall be initiated by the authorized donee representative of the SEA by preparing an original and six copies of SF 123. The authorized donee representative shall complete

blocks 13a, b, and c. The original and five copies shall be sent to the property disposal officer who shall complete blocks 14a, b, and c.

(2) The property disposal officer shall retain one copy of the SF 123 and return the original and four copies to the authorized donee representative.

(3) The authorized donee representative shall send the original and four copies of the SF 123 to the national headquarters of the SEA for approval if applicable. The authorized official of the national headquarters shall indicate approval by signing block 13d and entering the date in block 13e. He shall then forward the original and three copies of the SF 123 to the GSA regional office for the region in which the property is located, retaining the fourth copy for his files.

(4) At such time as GSA approves the transfer the GSA office will complete the SF 123 in blocks 13d, e, and f, retain one copy, send the original and one copy to the holding agency, and send an informational copy to the State agency for the State in which the SEA school, club, or council is located.

(5) The property disposal officer, upon receipt of the approved SF 123 from GSA, shall release the property to the authorized donee representative in accordance with the pickup or shipping instructions shown in block 11.

3. Public airport.

a. The applicant shall prepare and submit an original and four copies of SF 123 to the appropriate FAA official for surplus property required for public airport purposes. The applicant shall sign in block 13b. One copy of SF 123 shall be sent to the holding agency by the applicant.

b. The appropriate FAA official shall indicate approval by completing blocks 144L, b, and c, retain one copy, and send the original and three copies to the appropriate GSA office.

c. At such time as the property is determined surplus and approved for transfer by GSA, the GSA office will complete SF 123 in blocks 14d, a, and f, forward the original to the holding agency, return two copies to the appropriate FAA official, and retain one copy for the files.

d. The appropriate FAA official shall send one copy of the SF 123 to the applicant and retain one copy for the files.

e. The holding agency, upon receipt of the approved SF 123, shall proceed to release the property for donation in accordance with the pickup or shipping instructions.

C. General information regarding SF 123.

1. SF 123 is printed in a 10-part, snap-out set. Sets can be purchased by FAA and DOD for distribution to authorized donees or applicants by ordering directly from the General Services Administration (3FFI), Region 3, Washington, DC 20407. SF 123-A, Continuation Sheet, can also be purchased from the same source. The continuation sheet is printed in a 10-part, snap-out set. State agencies may purchase copies of these forms from the U.S. Government Printing Office, Superintendent of Documents, Washington, DC 20402.

2. SF 123 and SF 123-A sets are color coded, having two each of five different colors in each set.

3. The SF 123 is designed for mailing in a 3 7/8- by 8 7/8-inch window envelope with a 1 1/8 by 4-inch window positioned one-half inch from the bottom and three-fourths of an inch from the left side of the envelope. Slightly larger window envelopes may also be satisfactory, but the size and position of the window should not be altered. Copies should be folded along the horizontal line above block 11, and

when inserted in a window envelope the typed holding agency address will show through the window.

17. Review of Standard Form 123 by GSA regions. The approving GSA regional office will receive the original and five copies of SF 123, and the holding activity will receive an informational copy. At such time as the property is determined surplus, a careful review of the SF 123 shall be made to ensure that it has been properly prepared. The review shall include the following:

a. Entries on the SF 123.

(1) The SF 123 must include all information required to be entered on the form. Particular care shall be taken to ensure that the SF 123 indicates the SRD; identity of the property as reportable or nonreportable; total acquisition cost; applicable GSA and Department of Defense (DOD) control or document numbers; holding agency document or voucher number for nonreportable property; and Federal Supply Classification number as part of the description. The original of each SF 123 shall be signed in ink. Copies of the SF 123 may have stamped signatures. With respect to service educational activities which have a national headquarters, and unless the Central Office advises the regional offices otherwise, an authorized official of the national headquarters shall indicate approval by signing the SF 123 in block 13d and show in block 13e the date he signs.

(2) All SF's 123 received from a State agency shall be reviewed to ensure that they contain in block 1 a nine-digit State serial number, e.g., 09-9-0001-25, assigned according to the format described below.

_____ State requesting property			
	_____ Fiscal year		
		_____ 4-digit State no.	
			_____ Property location
09-9-0001-25			

(a) The first two digits represent the State agency requesting the personal property, and will conform to the geographic location codes listed in fig. 1-17. [Link](#) This number will be used by GSA to identify all personal property allocated to a State.

(b) The third digit reflects the Federal fiscal year which begins on October 1 and ends September 30. The "9" represents fiscal year 1979.

(c) The next number, four digits in length, is assigned by the State agency to each SF 123 in sequential order beginning with 0001 at the start of each fiscal year.

(d) The last two digits represent the geographic location code assigned to the State, territory, or possession where the property is physically located. This number will be used by GSA to identify the location of personal property.

b. Insufficient information.

(1) An SF 123 received without all of the information required to be entered on the form may be held in suspense until the missing information is obtained or returned to donees for necessary correction.

(2) Upon request, donees must submit any additional information required to support and justify the donation.

17.1. Presigned Standard Forms 123. For the purpose of expediting property transfer, State agencies may provide regional offices, inclusive of area utilization officers (AUO), with presigned and prenumbered SF's 123. State agency directors will ensure that these SF's 123 are entered into the State agency's log of State serial numbers prior to providing them to regional offices. The State serial number should be complete as prescribed in subpar. 17a(2) with that portion of the serial number applicable to property location left blank to be completed by the AUO. In addition, the State serial number should be followed by the letter "P" and by the number of the approving GSA region to indicate that the SF 123 was presigned. The National Capital Region will be identified by a "W" and Region 10 will be identified by the number "O". The following are examples of the format for assigning State serial numbers to presigned SF's 123:

09-9-0001- - (P-2)
11-9-0001- - (P-W)
72-9-0001- - (P-O)

18. Approval or disapproval of Standard Form 123.

a. SF's 123 shall not automatically be held to the end of the screening period, but approved and distributed as expeditiously as possible. An SF 123 received after the end of the donation screening period may be approved if the property is still available and the holding activity has agreed to set the property aside pending receipt of donation approval. An SF 123 may be disapproved in whole, or in part, when it is determined that it is in the public interest to do so, when there is a substantive defect in the order, when the property is not surplus, or when transfer of the property to a Federal agency is pending. The applicant and the holding activity shall be informed in writing the reason why the SF 123 was disapproved. When a donation transfer is disapproved because of a pending Federal transfer and the transfer is not completed subsequently, the applicant shall be advised to resubmit an SF 123.

b. In cases where property is specifically requested for the purpose of secondary use (where the property is to be disassembled or cannibalized), a justification of the proposed action shall accompany the SF 123. The following statement shall be included on the SF 123:

"This property is requested for secondary use. When secondary use is to be accomplished by a donee, the property will be subject to the appropriate period of restriction until such time as disassembly or cannibalization has been accomplished and authorized disposal of the residue is accomplished."

c. Upon the request of a GSA regional office, the State agency (or the donee in the case of property donated to service educational activities or public airports) shall submit any additional information required to support and justify a donation application.

19. Rejection of property approved for donation. The provisions of this paragraph apply to property approved for donation and subsequently rejected.

a. When a State agency or donee determines prior to pickup or shipment that property approved for transfer cannot be used, the GSA regional office which approved the transfer must be notified and informed why the property is being rejected. All rejections must be directed through channels. No rejection of property should be sent by the donee to the holding activity. A State agency donee in all cases should communicate its rejection of donable property through the State agency.

b. In the absence of any Federal or other donation requirement, the regional office shall notify the

holding activity that the property, which had previously been approved for donation, was subsequently rejected and release the property for other disposal.

20. Shipping instructions, pickup, shipment, and delivery.

a. When property is selected as usable and necessary for donation purposes, the holding activity is required to retain the property for a period not to exceed 42 calendar days from the surplus release date pending receipt of the approved SF 123 and firm instructions for pickup or shipment of the property.

b. During the 42-day period, the approved SF 123 and shipping instructions, or notice that the property will be picked up, must be furnished to the holding activity. Otherwise, other disposal of the property is authorized.

c. When the holding activity is furnished an approved SF 123 within the 42-day period specified above, shipping action will be accomplished promptly or the transferee notified that the property is available for pickup. If the transferee or its agent does not remove the property within 15 days after notification, other disposal of the property is authorized.

d. The transferee is responsible for removing the property or for making arrangements with common carriers for its shipment. Property disposal officers or other representatives of holding activities will not act as agent or shipper for transferees in this regard. However, the PDO or the AUO may assist the State agency or the donee by notifying the designated agent when the shipment is ready for pickup.

21. Overages and shortages.

a. When a State agency, a service educational activity (SEA), or a public airport finds that surplus personal property received from a Federal installation was not listed on an approved SF 123, or the quantities exceeded the amount approved by GSA on the SF 123, and the estimated fair market value or acquisition cost of the line items involved is less than \$500, it must annotate its receiving and inventory records to document the overage. The annotation must include a description of the property, its estimated condition, the estimated fair market value (or acquisition cost if known), and the name of the holding activity from which the property was received. However, when the estimated fair market value or acquisition cost of the line items is \$500 or more, it must be listed on an SF 123 and the SF 123 sent to the GSA regional office for approval. In the case of property received by a public airport, the overage report or SF 123 must be forwarded to the GSA regional office through FAA.

b. When it is found that line items or portions of line items of property approved for donation on an SF 123 were not received, and the total acquisition cost of the line items involved is less than \$300, the State agency, SEA, or public airport must annotate its receiving and inventory records to document the shortage. The annotation must include a description of each line item of property, the acquisition cost, and the name of the holding activity. If the total acquisition cost is \$300 or more, a shortage report must be prepared and submitted to the GSA regional office for the region in which the holding activity is located. A copy of this report must be sent to the holding activity. Shortages reports covering property approved for donation to a public airport must be forwarded to the GSA regional office through FAA.

c. Overages and shortages must be reported, where required, within 90 calendar days of the date of transfer. The shortage report, or the SF 123 in the case of overages of \$500 or more, must be signed by a responsible State agency or donee representative and must provide the following information:

(1) Name and address of the holding activity;

(2) All pertinent control numbers including the holding activity turn-in document number, the GSA control number if property was reported to GSA, and the State agency or donee transfer order number; and

(3) A description of each line item of property, whether it is an overage or shortage, the condition code (estimated if an overage), the quantity and unit of issue, and the unit and total acquisition cost (estimated if an overage).

d. When it appears that a holding activity is causing an excessive number of shortages or overages, particularly overages above \$500 per line item, the GSA regional office shall consult with the activity concerning the reasons for the discrepancies. If the situation continues and cannot be resolved effectively at the regional level, the case must be fully documented and forwarded to the Central office for appropriate action. The regional allocating office must be kept advised of all corrective actions taken by a regional office and/or the Central Office to resolve the problem.

22. Certification and control of screeners.

a. Requirements. All State agency and donee representatives must be authorized and certified by GSA prior to screening and freezing surplus personal property at holding installations for subsequent transfer for donation. However, noncertified donee representatives may participate in onsite screening sessions if accompanied by a certified screener or a Federal official. Certification consists of approval by the appropriate GSA regional office of a request for certification submitted by the appropriate State agency, the Department of Defense (DOD), or the Federal Aviation Administration (FAA) and completion of a GSA Form 2946, Screener's Identification (fig. 1-22 [Link](#)), which will be returned to the requesting agency for issuance to the screener. With regard to DOD, the requesting agency for issuance of GSA Form 2946 for the national organizations identified in ch. 3 will be the Defense Logistics Agency (DLA). The appropriate sponsoring military service; i.e., Army, Navy, Air Force, Marine Corps, will be the requesting agency for issuance of GSA Form 2946 to schools designated as service educational activities (SEA). The requesting agency for issuance of GSA Form 2946 to FAA will be the appropriate FAA Airports District or Division office listed in ch. 4. State agency or donee representatives visiting holding activities for the purpose of technical inspection, evaluation, or removal of specific property previously set aside or approved for donation are not required to possess a GSA Form 2946.

b. Application procedures. An application for certification must be prepared by the appropriate State or Federal agency and forwarded to the regional office serving the area in which the prospective screener is located. Each application must consist of the following two parts:

(1) A request for certification which states:

(a) The name and address of the State agency or donee activity the prospective screener represents;

(b) That the applicant is qualified to screen as an authorized representative of the State agency or donee activity; and

(c) The Federal installations at which screening authorization is requested. The installations are usually limited to those within the State in which the prospective screener is located. Requests for one-time or regular authorization to visit holding activities outside the State in which the screener resides, accompanied by a statement of justification, may be submitted at the time of or after the application for certification to the regional office responsible for processing the application. Requests to approve interregional visits must be considered in consultation with the other regional office(s) involved and may be approved or rejected at the discretion of the regions. Requests for statewide, regionwide, or nationwide authorization need not list individual installations. If approved, screening authority may be granted by including the appropriate region(s) or State(s) on the GSA Form 2946, or by issuing a letter to the screener with copies submitted to the affected holding installation(s) and regional office(s).

(2) A GSA Form 2946 containing the following:

- (a) The typed name of the applicant;
- (b) The typed name of the applicant's organization;
- (c) The applicant's signature;
- (d) The typed name of the State or Federal agency requesting the applicant's certification;
- (e) An affixed passport-style photograph of the applicant; and
- (f) The signature of an authorized official of the requesting agency.

c. Regional office review.

(1) General. Adequate screening capability on the part of State agencies, their donees, and other authorized donees is essential in order to maximize the donation of available surplus personal property in a fair and equitable manner. To achieve this purpose, and to reward initiative on the part of screeners who actively search for property, regional offices shall encourage and promote effective screening at all surplus property sources within the region. Proliferation of screeners, however, can defeat the purposes of effective screening and adversely affect the opportunities of States and donees to obtain their fair share of needed and usable property. Excessive or inefficient screening adversely affects the operations of holding activities with resultant delays and confusion in making property available for donation. Therefore, when evaluating requests for donee screeners' authorizations, the regional office should consider whether the number of screeners proposed is reasonable or excessive, both in terms of the donee's program and the geographic area and Federal installations which the screeners propose to visit. The regional office should also evaluate whether intensified or expanded screening at holding activities in the region may have an adverse impact on any base disposal operations or penalize other State agencies or donees in obtaining their fair entitlement of needed and usable property. Where necessary, the regional office may schedule screeners' visits to holding activities or require a reduction in the number of screeners when it becomes evident that the volume of surplus personal property at an installation does not warrant the level of screening activity or that excessive screening is creating significant problems with base disposal activities. The regional office must coordinate closely with its allocating regional office or other regional allocating offices which may be involved to ensure that activities of screeners accredited under the auspices of a State agency do not adversely affect the entitlement of other States within the region or in other regions in which the screeners may be authorized to visit holding activities.

(2) Number of screeners.

(a) The number of screeners required to inspect and select surplus personal property is related to the scope of the State agency's or donee's program and to the geographic area of the screening activity. Regional offices will certify those screeners who are directly employed by a State agency upon the request of that agency.

(b) Generally, the regional office may certify those donee screeners sponsored by a State agency for screening Federal installations within the State provided a review determines that the number of donee screeners requested for certification would not adversely affect the capabilities of screeners from other State agencies who may have established joint screening arrangements within the State as provided in ch. 2-7d. In such cases, the regional office shall review the screening arrangements with respect to the allocation entitlement of the States involved in the joint screening and coordinate with the regional allocating office and any other regional offices involved, as provided in ch. 2-7d, before making a final determination of certification.

(c) State agency screeners may screen surplus personal property at installations in other

States or in other regions in accordance with the provisions of ch. 2-7. Generally, however, certified donee screeners sponsored by a State agency should screen within that State unless the State agency can satisfactorily justify the need for donee screeners to visit installations outside the State, particularly on a continuing basis. In such cases, the regional office serving the area for the State requesting the authorization is responsible for coordinating the proposed screening with the other regional offices and allocating regional offices involved. The number of screeners, the installations to be visited, and the frequency of such visits should be taken into consideration in the review. Special requests for donee screeners to visit installations outside the region on a one-time basis may be authorized subject to agreement between the regional offices involved.

(d) In all cases involving proposed screenings of surplus personal property by State agency or donee screeners on a continuing basis at installations outside the screeners State, the views of the State agencies involved shall be obtained by the appropriate regional offices prior to approval of such screenings, as provided in ch. 2-7d.

(e) Qualified screeners of service educational activities or public airports may be certified by regional offices for visits to Federal agencies within their State without special justification from the donee and the sponsoring Federal agencies. When, in the opinion of the regional office, excessive numbers of screeners for individual donee institutions or organizations are being requested, and the matter cannot be resolved at the regional level, the matter should be referred to the Central Office for resolution with the sponsoring Federal agency. In many cases, one screener may be authorized to service the property needs of several donees. Such arrangements should be encouraged by regional offices to reduce the proliferation of screeners. Regional offices shall carefully review requests by screeners of service educational activities or public airports to visit installations located outside of their States and require adequate justification before approving such visits, particularly any of a continuing nature. Requests by a service educational activity or a public airport to screen surplus personal property at installations outside the region should be authorized only for compelling reasons and subject to the approval of the regional office for the installation(s) to be visited.

d. Regional office processing. An application determined to qualify for screener certification shall be approved and the GSA Form 2946 completed and returned to the requesting agency for issuance to the screener as follows:

- (1) A control number, consisting of the region number followed by a hyphen and a serial number, shall be assigned to each form approved by the regional office;
- (2) An expiration date shall be assigned to coincide with the end of the period of authorization if indicated by the requesting agency;
- (3) The authorized screening area shall be identified by entering the two-letter State abbreviation (s) or, if applicable, the GSA region number (s) in which screening authority is granted;
- (4) "Surplus" shall be entered in the Authorized Program block;
- (5) The form shall be signed by the regional Personal Property Division Director or his designee;
- (6) The number of the GSA region approving the form shall be entered; and
- (7) The completed form shall be laminated and returned to the requesting agency for issuance to the screener. The form shall be accompanied by a cover letter instructing the agency to recover the form upon expiration or termination of the screeners authorization and return it to the certifying GSA regional office for cancellation. Additionally, the letter shall indicate that GSA may terminate a screeners authorization upon evidence of unauthorized use or abuse of screening privileges and that the requesting agency in such cases will be required to recover and return the GSA Form 2946. Any limitations imposed

on the screeners visits to Federal agencies within or outside the State will be set forth in the letter.

e. Records.

(1) Each regional office shall maintain a control log which reflects the serial number, the controlling State or Federal agency, the name of the screener, and the date of issue, expiration, and recovery of the GSA Form 2946 approved in the region. If a GSA Form 2946 is not returned within a reasonable period of time after expiration, the controlling agency shall be contacted and instructed either to recover the form and return it to the regional office or to submit a letter explaining why recovery is not feasible.

(2) The regional office shall maintain a filing system on certified State agency and donee screeners. Each file shall contain the request for certification and reflect the serial number of the GSA Form 2946 and the dates of issue, expiration, and return for cancellation. If a GSA Form 2946 is not returned after expiration, the controlling agency's explanatory statement shall be included. Returned cards shall be destroyed by the regional office upon receipt and a certification of destruction placed in the file.

f. Review and control. Regional offices shall monitor screener authorizations on a continuing basis. Effectiveness of screener authorizations shall be evaluated in terms of State agency entitlement, fair and equitable distribution, and maximum donation of surplus personal property at installations in the region. Continuing coordination regarding the effectiveness of screening authorizations shall be maintained with the allocating regional office and the State agencies in the region. Close coordination shall be maintained with holding activities and prompt action shall be taken to resolve any screening problems at the base disposal level. Regional offices shall promptly investigate any allegations of unauthorized use or abuse of screening privileges and shall take appropriate action to correct such situations including, if necessary, termination of a screeners authorization. Unauthorized use or abuse of screening privileges could involve the screening of property at installations which the screener is not authorized to visit. Actions to correct abuses of screening privileges will first be discussed by the regional office with the sponsoring Federal or State agency, but any such actions involving an SEA shall be referred to the Central Office for coordination with DLA. When a sponsoring Federal or State agency desires to cancel a screeners authorization the regional office shall take appropriate action to do so.

23. Recovery of property for Federal use. Surplus personal property approved for donation, and still in the possession of a State agency, may be transferred by a GSA regional office to any Federal agency when the agency has established an emergency requirement for the property. Requested property will be listed by the GSA regional office on a Standard Form 120, Report of Excess Personal Property, showing GSA as the holding agency and the State agency as the custodian or location. When preparing the SF 120, the property should be fully described, including FSC number, if available, serial number, current condition code, and the unit acquisition cost. The SF 120 will also include the name of the Federal agency requesting the property. The State agency's reimbursable interest in the property will be shown as the costs of care and handling, including transportation, that were incurred by the State agency initially acquiring the property and typed on the face of the SF 120 below the nomenclature of the item. Recovery will be accomplished by execution of an approved Standard Form 122, Transfer Order Excess Personal Property, prepared by the Federal agency requesting the property. Following approval by the GSA regional office, the SF 122 shall be forwarded to the State agency for appropriate action. The transfer will be subject to payment by the acquiring agency of the costs of care and handling, including transportation, that were incurred by the State agency initially acquiring the property. Agreement of the Federal agency to pay these charges will be secured by GSA prior to release of the property.

24. Nondiscrimination.

a. Assurances required. All participants in the donation program are subject to the nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, section 606 of Title VI of the Federal Property and Administrative Services Act of 1949, as amended, section 504 of the Rehabilitation Act of 1973, as amended, Title IX of the Education Amendments of 1972, as amended, and section 303 of the Age Discrimination Act of 1975. Applicants must agree that they will comply with these laws in accordance

with the regulatory requirements of GSA as set forth in FPMR 101-6.2. Complaints received by GSA regional offices alleging any violations or any inquiries concerning applicability of the regulations shall be referred to the Central Office. The nondiscrimination assurance required of an SEA, a public air port, or a State agency is on the reverse of SF 123 (fig. 1-16.1 [Link](#)). The non discrimination assurance required of each donee applicant by the State agency is shown in fig. 2-8 [Link](#). As a prerequisite of donation of surplus personal property by a State agency, each donee applicant is required to execute the nondiscrimination assurance prior to the receipt of any donable property. The State agency is required to retain permanently the nondiscrimination assurance in the donee's eligibility file.

b. Display of civil rights poster. State agencies and donees are required to display posters indicating that they are operating programs subject to the nondiscrimination requirements of Title VI of the Civil Rights Act of 1964 and related statutes. The posters must be displayed prominently and in reasonable numbers and places. Copies of the poster may be obtained from the Office of Civil Rights (HO), General Services Administration, Washington, D.C. 20405.

25. Federal utilization of nonreportable property requested for donation.

a. General. This paragraph provides a uniform procedure for regional Personal Property Divisions to follow in connection with the utilization of personal property not required to be reported to GSA regional offices by FPMR 101-43.312. The procedure is also applicable to contractor inventory.

SF's 123 listing nonreportable property items located at generating points of the military or civil agencies assigned to or normally visited by GSA area utilization officers shall be approved for transfer for donation without any additional utilization screening being made.

b. Action by GSA regions.

(1) SF's 123 from eligible donees for nonreportable property not previously screened as described in a(2), above, shall be reviewed as received by regional personnel to locate only those specific items required to fill Federal requirements actually on file in regional offices before the SF 123 was received.

(2) Complete or partial line items used to fill Federal requirements shall be deleted from the SF 123 and residual items promptly approved for transfer for donation. In all cases, including those where all items requested are utilized by Federal agencies, the SF 123 shall be returned as appropriate to the State agency, FAA, or the SEA. If the items selected to fill known Federal requirements are rejected, they shall be reoffered to the donee which processed the original request.

c. Limitations. The provisions of this paragraph do not authorize GSA regions to circularize, formally or otherwise, items selected from SF's 123 for Federal utilization screening.

26. Deletions from Standard Form 123. GSA regional offices shall not use SF's 123 to correct deficiencies in reporting procedures. SF's 123 listing property which should have been reported shall be approved for transfer for donation, and the holding agency advised of the reporting error and instructed to follow prescribed reporting criteria (see fig. 1-26 [Link](#) for groups and classes of property reportable to GSA). If the situation continues and cannot be resolved effectively at the regional level, the case shall be fully documented and forwarded to the Central Office.

27. Donation pamphlet. The GSA pamphlet, "Federal Surplus Personal Property Donation Programs," shall be included in all replies made by GSA regional offices to queries concerning the donation program. Copies of the pamphlet may be obtained from the GSA National Capital Region, Office of Controller-Administration, Printing and Distribution Branch, Printed Materials Depot (WBRDD-1), Washington, D.C. 20407, by use of GSA Form 1725, Issuance Request and Transmittal.

28. State agency directory. To assist in keeping the directory of State agencies current, GSA regional

offices shall promptly advise the Central Office when they learn of any changes in appointments, addresses, and telephone numbers of State agencies.

29. Donation program memoranda. Numbered memoranda will be used by the Central Office to prescribe specific donation program procedures and guidelines jointly to GSA regional offices and State agencies. They will be numbered consecutively by fiscal year; i.e., DPD-1-79, et seq., and will be incorporated into the donation handbook within 4 months unless canceled by the Central Office, except that the Central Office may extend the provisions of any memorandum for an additional 4-month period before incorporation into the handbook or cancellation. Regional offices shall file these memoranda in numerical sequence in a special folder or attach them to this handbook until they are canceled or incorporated into the handbook. Fig. 1-29 [Link](#) illustrates and further describes the donation program numbered memorandum system.

30. Regional office responsibilities.

a. Duties and responsibilities. All regional offices are responsible for:

- (1) Coordination with State Governors on program matters, including the State plan of operation;
- (2) Coordination with State and local officials with respect to operation of the program;
- (3) Oversight of the operations of the State agency and its conformance to the State plan of operation and the Administrator's regulations;
- (4) Coordination of screening activities by State agencies and donee screeners at Federal installations;
- (5) Oversight of allocations to States in the region with the regional area utilization officers (AUO) being authorized to approve the donation of nonreportable surplus personal property in accordance with the provisions of ch. 2-5;
- (6) Close coordination with the allocating regional office with respect to AUO donation approval of nonreportable property;
- (7) Resolution of problems involving Federal and State activities;
- (8) Assisting State agencies in their determinations of eligibility;
- (9) Correspondence involving the donation program; and
- (10) Participation in Federal, State, and local conferences and other public meetings to explain the function of the Federal surplus personal property donation program and to promote program goals through discussion, distribution of brochures, slide and film presentations, and other appropriate methods. A brief written report of each meeting of this nature shall be submitted to the Central Office.

b. Allocating regional offices. Allocating regional offices are responsible for the allocation control of all reportable surplus personal property and for the control of all transfers of nonreportable surplus personal property for donation in accordance with the requirements and limitations set forth in ch. 2-5i. Figure 1-30 [Link](#) illustrates the regional allocating offices and their allocating areas. Instructions for processing and posting of all transfer orders for donation are set forth in the Excess/Surplus Personal Property Disposal System Users Guide, FPRS-1.

31. Responsibilities of area utilization officers.

a. General. In addition to the responsibilities contained in the HB, Utilization of Excess Personal Property (PRM P 7800.1), area utilization officers (AUO) are responsible for the screening, selecting, freezing and transferring for donation of nonreportable surplus personal property located at assigned generating points. Additional responsibilities of the AUO are as follows:

(1) Area utilization officers shall actively assist and cooperate fully with all Federal, State agency, and donee representatives, and eligible screeners throughout the nation to promote the maximum utilization and expeditious release of surplus personal property for donation. To ensure an effective donation program, it is required that the AUO, the GSA regional office, and the GSA regional allocating office, develop and maintain close coordination in carrying out their donation program responsibilities. Generally, AUO's and regional allocating offices will communicate through the AUO's regional office. However, when expeditious handling is required or exigencies develop, AUO's and regional allocating offices may communicate directly, with the AUO's regional office being kept informed.

(2) Personal property determined surplus is governed by GSA regulations and the AUO should have some knowledge of and control over all nonreported surplus personal property generations at activities in the area. The determination of the amount of available surplus property screened by an AUO should be based on documents and records of the holding activity. Estimates of the amounts should be used only in cases where documentation is not available. The records of base disposal facilities are available for review by an AUO. These records are based on turn-in documents which provide acquisition cost data. It is from these records that an AUO should obtain the cumulative data he requires on available surplus. The AUO's files should reflect the physical locations and the source documents of the surplus property statistical summary reported on GSA Form 2081, Area Utilization Officer Activity Report (PRM P 7800.1, figure 10-2). In those limited numbers of cases where the turn-in documents do not reflect the acquisition cost, the AUO should develop estimates of acquisition cost after consultation with base supply or disposal personnel. The AUO's file should reflect the source of such estimates.

b. Specific duties. AUO's shall review documents listing nonreportable property being generated at generating points assigned to them. They will also maintain want list files and refer available items to the regional allocating office for donation action. AUO's will maintain liaison and communication with Defense Property Disposal Offices, Defense Property Disposal Regions, State agency officials, their screeners and accredited donee screeners, regional offices, other AUO's both in and out of region, and eligible SEA and public airport donees, regarding availability and requirements for nonreportable donable personal property on a national basis. AUO's will recommend actions to the regional offices, as appropriate, for coordination with the allocating regional office to conduct onsite donation screening sessions for both reportable and nonreportable personal property. AUO's may conduct onsite screenings as directed, or assist the regional office in such screenings. AUO's are responsible for ensuring that personal property selected for onsite screening is set aside in separate areas and properly identified by the holding activity. AUO's must have a thorough knowledge of the donation program and all program changes including State allocating formulas and entitlements, donation eligibility requirements, special situations and considerations, special categories of property, and non-donable property. It is considered that the above duties are mandatory with respect to AUO duties concerning the donation of surplus personal property on a fair and equitable basis.

c. Reportable property. AUO's shall:

- (1) Ensure that holding activities are adhering to reporting requirements;
- (2) Verify the condition, description, and quantity of surplus personal property upon request by the regional office; and
- (3) Provide other assistance with respect to reportable surplus property as directed by the regional office after consultation with the regional allocating office.

d. Nonreportable property. AUO's shall:

- (1) Screen surplus nonreportable property at assigned locations by physical inspection and review of SF's 120, turn-in slips, or other documents;
- (2) Select and freeze, for an agreed upon time, items with good donation potential, pending screening by authorized State agencies, SEA's, public airports, and other authorized donees;
- (3) Assist authorized State agency screeners, SEA's, public airports, and other authorized donees in screening and selecting available surplus personal property for donation;
- (4) Approve SF's 123 authorizing transfer of nonreportable personal property for donation in accordance with the provisions of ch. 2-5j;
- (5) Recommend to the regional office that property be withdrawn from sale in accordance with the procedures in par. 12;
- (6) Release promptly for other disposal uncommitted balances of nonreportable surplus personal property rejected for donation;
- (7) Advise the regional office, which in turn informs the appropriate allocating regional office, of instances where holding activities withdraw property set aside or approved for donation contrary to the provisions of par. 6;
- (8) Ensure that all non-Federal screeners possess an approved Screener's Identification (GSA Form 2946) in accordance with the provisions of par. 22 prior to providing assistance in locating and inspecting surplus personal property;
- (9) Ensure that scrap and salvage material is made available by the holding activity for inspection by authorized donee screeners; and
- (10) Prepare listings of nonreportable property having high donation potential, in accordance with the requirements of ch. 2- 5j(5).

e. Assistance to other agencies, activities, and donees. AUO's shall:

- (1) Visit selected Federal agencies and their contractors relative to the availability of surplus personal property for donation;
- (2) Make arrangements for State agency and eligible donee representatives to screen, inspect, and select personal property at assigned locations, and coordinate plans with the regional office for screening personal property at remote locations;
- (3) Arrange for prompt release of property transferred for donation;
- (4) Provide assistance to State agencies and other eligible donees in arranging for packing, pickup, or shipment of property;
- (5) Assist in finding solutions to local problems of reporting and transferring surplus personal property;
- (6) Freeze nonreportable property for donation when an eligible State agency, SEA, or public airport donee screener requests such action. However, when a donee screener designated by a State agency visits a generating activity unaccompanied by an AUO or a State agency representative, the donee screener may freeze nonreportable property subject only to subsequent confirmation by the

applicable State agency. The AUO will review generating activity records on his visits to be aware of such freezes;

(7) Ensure that donee screeners are aware that surplus personal property frozen by the AUO, at the request of the donee, may not be allocated to the requesting donee;

(8) Assist eligible and authorized donees and State agency screeners from out of the regional area in screening nonreportable property upon notification from the regional office to do so; and

(9) Contact potentially eligible donee groups in their area and explain the benefits of the donation program and how they can participate. Available brochures which describe the program should be distributed during all such contacts.

f. Related duties and requirements. AUO's shall:

(1) Advise the regional office when the number of screeners visiting a generating activity is excessive or when the number of screeners inspecting property are causing problems in the orderly processing of property, and recommend scheduling of screeners after review with holding activities;

(2) Visit base activities; i.e., supply, repair, engineering, etc., and keep the regional office advised of large volumes of property having high donation potential which are expected to generate at a holding activity;

(3) Be aware of the importance of condition codes and adequate property descriptions;

(4) Be thoroughly familiar with policies, regulations and procedures of the Department of Defense and other Federal agencies;

(5) Be familiar with various major programs currently in force such as the computerized utilization and donation systems and the property rehabilitation and sales programs;

(6) Visit holding activities and inspect available automated data processing equipment as requested by the allocating regional office through the regional office; and

(7) Complete GSA Form 2081, Area Utilization Officer Activity Report, in accordance with instructions contained in PRM P 7800.1, relative to transfers for donation of nonreportable property.

32. Regional donation conferences. GSA regional offices are responsible for conducting surplus personal property donation management conferences as considered required to include representatives of Federal and non-Federal agencies. These conferences should be held on an annual basis or as the region considers required.

a. Regional office donation conferences. When a GSA regional office conducts a donation conference, appropriate Federal agencies should be invited to attend, including but not limited to representatives of area DPDO's, DPDR's, regional AUO's, State agencies within the regional area, and GSA regional allocating officers. The following items are recommended for inclusion in the donation conference agenda:

(1) General review of the donation program;

(2) Review of allocation procedures and transfer requirements;

(3) Review of screening procedures and recommended improvements, if applicable;

- (4) Fair and equitable distribution of donable property;
- (5) Eligibility of donees;
- (6) Withdrawal of property from sale for donation;
- (7) Review of donation transfers to State agencies, public airports, and SEA's;
- (8) Want list requirements;
- (9) AUO's role in the donation program;
- (10) State entitlement and allocation review;
- (11) State agency Problem areas (to be presented by the State agent); and
- (12) General review of State Agency Monthly Donation Report of Surplus Personal Property (GSA Form 3040).

b. Regional allocating office/regional office conferences. Regional allocating offices should conduct annual conferences as required with regional offices within their allocating area regarding the donation program. It is recommended that if at all possible all AUO's within the allocating region attend. If desired, other allocation offices may be invited to attend. The following items are recommended for inclusion in the conference agenda:

- (1) General allocating region review of the donation program;
- (2) Review of the status of entitlement and allocation of surplus personal property to the States within the allocating region;
- (3) Want list requirements;
- (4) Review and discussion of State agency, public airport, SEA, and donee problem areas as applicable;
- (5) Review of screening activities by State agency and donee screeners at Federal activities;
- (6) Review of interface between allocating and non-allocating regions;
- (7) AUO's overview, including resolution of problems being encountered by AUO's; and
- (8) Problems being encountered at Federal activities regarding donation of surplus personal property.

c. Regional donation conference summaries. The Central Office should be advised of all regional conferences since representatives may wish to attend from time to time. In any event, it is mandatory that a summary of all such conferences, together with the agenda, be provided the Director, Donation Division, within 30 calendar days from the conference date. The summary should be prepared by the host regional office. Conference summaries should indicate if any Central Office action or assistance is required.

33. Termination of restrictions.

a. Public Law 94-519 provides that by operation of law, all terms, conditions, reservations, and restrictions previously enforced by the Department of Health, Education, and Welfare and the Defense Civil Preparedness Agency on property donated for educational, public health, and civil defense purposes would be terminated and no longer applicable after November 15, 1977, unless the Administrator of General Services determines otherwise. For the purpose of accommodation, a formal release document (see fig. 1-33 [Link](#)) releasing the Federal restriction may be granted by GSA regional offices upon request by donees through the State agency provided, however, that the donee is determined by the State agency to have been in compliance with the Federal terms and conditions imposed on the property during the period of restriction. This document will formally release the donee from the terms, conditions, reservations, or restrictions previously imposed on the property. The GSA region serving the State in which the donee is located will execute and distribute the release form as follows:

- (1) Original and one copy to the donee;
- (2) One copy to the State agency;
- (3) One copy to the GSA regional office files; and
- (4) One copy to the Federal Aviation Administration Aircraft Registry or Coast Guard Documentation Officer.

b. These procedures for termination of restrictions do not apply to the release of terms, conditions, reservations, or restrictions on property that is restricted in perpetuity, such as combat-type aircraft.

34. Review of Standard Form (SF) 126, Report of Personal Property for Sale. FPMR 101-45.303 provides that all property which is not required to be reported for utilization screening and for which any required donation screening has been completed shall be reported to the appropriate GSA regional office on an SF 126. To ensure that all nonreportable property has been made available for screening to meet known State requirements, SF's 126 shall be reviewed by the regional donation personnel prior to sale processing. Review of the SF's 126 shall be accomplished in a manner which will not delay the property from being programmed for sale.

TABLE OF CONTENTS

CHAPTER 2. PUBLIC AGENCIES AND NONPROFIT TAX-EXEMPT ACTIVITIES

<u>Paragraph Titles</u>	<u>Paragraph Numbers</u>
Scope	1
Stateagency	2
State plan of operation	3
Certifications and agreements	4
Allocation and transfer	5
Cooperative agreements	6
Screening	7
Eligibility	8
Terms and conditions on donated property	9
Property distributed to donees	10
Withdrawn by CHGE 4	11
Property in the possession of a State agency	12

Stateagencyreviews	13
State agency audits	14
Nonconformance	15
Liquidation	16
Extension of the requirement to place property into use within 1 year of donation	17
State agency turn-in of undistributed property to Defense Reutilization and Marketing Offices (DRMO) ..	18
Cannibalization	19
Donating surplus clothing to needy persons	20
Figure 2-5.1.	National distribution target percentages
Figure 2-5.2.	Quarterly over/under allocation report
Figure 2-6.1.	Interstate cooperative distribution agreement
Figure 2-6.2.	Cooperative agreement between GSA and a State agency
Figure 2-8.	Nondiscrimination assurance
Figure 2-9.1.	State agency distribution document
Figure 2-9.2.	Vessel conditional transfer document
Figure 2-9.3.	Noncombat-type aircraft conditional transfer document
Figure 2-9.4.	Combat-type aircraft conditional transfer document
Figure 2-9.5.	GSA Form 3040, State Agency Monthly Donation Report of Surplus Personal Property
Figure 2-12.1.	Cooperative agreement authorizing State agencies to sell undistributed Federal property in their possession
Figure 2-12.2.	State agency reimbursement rate for transportation expenses
Figure 2-12.3.	Model of a public notice of abandonment or destruction
Figure 2-13.	Summary review checklist
Figure 2-14.	External audit guidelines
Figure 2-18.1.	Memorandum of understanding between DOD and GSA
Figure 2-18.2.	DD Form 1348-1, DOD Single Line Item Release/Receipt Document
Figure 2-18.3.	Batch lotting guidelines and options

CHAPTER 2. PUBLIC AGENCIES AND NONPROFIT TAX-EXEMPT ACTIVITIES

1. Scope. This chapter provides information, guidelines, and procedures for the allocation and transfer of surplus personal property to State agencies for surplus property for distribution, through donation, to public agencies and eligible nonprofit, tax-exempt institutions and organizations within each State. It also provides for the continuing coordination and cooperation between regional offices and State agencies for surplus property to ensure that the purposes of the program are fully carried out and that surplus personal property is allocated among the States in a fair and equitable manner on the basis of need and utilization.

2. State agency.

a. The State agency as defined in Federal Property Management Regulations (FPMR) 101-44.001-14, and as used in this chapter, is the agency in each State designated under State law as responsible for the fair and equitable distribution within the State of all donations of surplus property to public agencies to be used for one or more public purposes such as conservation, economic development, education, parks and recreation, public health, public safety, and program for older individuals, and to eligible nonprofit, tax-exempt activities for educational and public health purposes, including research for any such purposes, and for use in program for older individuals.

b. All surplus personal property selected for donation in accordance with the provisions of this chapter must be allocated and transferred to the State agency in any State for distribution, through donation, to eligible donees in the State.

3. State plan of operation.

a. Prior to the allocation and transfer of surplus personal property to a State agency in accordance with the provisions of this chapter, a State must have developed, in accordance with section 203(j)(4) of the act, a detailed plan of operation, including adequate assurances that the State agency has the necessary organizational and operational authority and capability to carry out the plan, including staff, facilities, means and methods of financing, and procedures with respect to accountability, internal and external audits, cooperative agreements, compliance and utilization reviews, equitable distribution and property disposal, determination of eligibility, and assistance through consultation with advisory bodies and public and private groups.

b. No State plan of operation or major amendment thereof shall be filed with GSA until 60 days after a

general notice of the proposed plan of amendment has been published and interested persons have been given at least 30 days to submit comments.

c. The State plan of operation must contain the specific information and assurances required by FPMR 101-44.202. The chief executive officer of the State must certify the plan of operation and submit it to the Administrator of General Services.

d. A State plan of operation developed by the State legislature and certified by the chief executive officer of the State will be in effect and binding upon the State beginning on the date the Administrator notifies the chief executive officer of the State that the plan conforms to the provisions of the act and the regulations issued pursuant thereto, and that allocation and transfer of donable surplus personal property will begin. The plan of operation will remain in effect until such time as the Administrator accepts revisions.

e. A temporary State plan of operation approved by the chief executive officer of a State will be in effect and binding upon the State beginning on the date the Administrator notifies the chief executive officer of the State that the plan conforms to the provisions of the act and the regulations issued pursuant thereto, and that allocation and transfer of donable surplus personal property to the State agency will begin. A temporary State plan of operation shall remain in effect until such time as the Administrator accepts revisions proposed by the chief executive officer of the State, or until the State legislature develops a plan of operation for the State agency and the plan is certified by the chief executive officer of the State and accepted by the Administrator.

f. Once in effect, no amendment or modification shall be made to a State plan unless the amendment or modification is accepted by the Administrator. Requests by a State agency to a regional office to amend or modify a State plan of operation shall be referred to the Central Office.

g. A copy of each State plan of operation accepted by GSA will be distributed by the Central Office to the appropriate regional office for use in reviewing State agency operations as provided in par. 13, below, and for other purposes.

4. Certifications and agreements.

a. Requests. Each time a State agency makes a request to GSA for the transfer of donable surplus personal property for distribution, through donation, to eligible donees in that State, the State agent, or his authorized delegate, shall certify and agree to the terms, conditions, and assurances required by GSA in accordance with the provisions of FPMR 101-44.204. The terms and conditions are set forth on the reverse of the SF 123, Transfer Order Surplus Personal Property, illustrated in ch. 1 of this HB. They are certified and agreed to by the State agent or his authorized delegate, when signing in block 13b of the SF 123, including the required assurance of compliance with GSA regulations under Title VI of the Civil Rights Act of 1964, section 606 of Title VI of the Federal Property and Administrative Services Act of 1949, as amended, and section 504 of the Rehabilitation Act of 1973, as amended.

b. Signature. Block 13b of the SF 123 must be signed by the State agent or his authorized delegate. The State agent will provide the regional office with a written authorization for a delegate to sign the SF 123, together with a sample of the delegate's signature. If the delegate is to sign in the name of the State agent, the authorization shall set forth the State agent's name as signed by the delegate with the initials of the delegate affixed thereto. The regional office shall require the State agent to update the authorization as required due to changes in State agency personnel or other circumstances. Transfer orders submitted by State agencies which are not executed as required hereby shall be disapproved and returned to the State agency.

5. Allocation and transfer.

a. Purpose. This paragraph provides instructions for the allocation of surplus personal property among the States in a fair and equitable manner based on need and utilization in accordance with the allocating factors prescribed in e, below. It also provides for the transfer to a State agency of property selected by it for distribution through donation to eligible donees within the State.

b. Policy. Allocating regional offices shall have responsibility for the allocation control of all surplus personal property in their areas. Transfer orders covering the donation of both cataloged and noncataloged reportable surplus personal property shall be approved by the regional office of location. Regional property utilization officers, area utilization officers, and personal property center managers in each region will approve transfer orders for donation of nonreportable surplus personal property subject to the requirements and limitations prescribed in i, below. Nonallocating regional offices shall support the allocating regional offices by providing maximum property visibility, liaison with State agencies and their authorized screeners, and other assistance as required. Allocating and nonallocating regional offices shall maintain close and continuing communication to effectuate the purposes of the donation program so that all surplus personal property needed and usable for donation will be transferred and that each State will realize its entitlement of available surplus personal property.

c. Need and utilization. Allocation of surplus personal property shall be based on the need and utilization expressed by the State agency requesting transfer of the property. No surplus personal property shall be allocated to a State unless an expression of need or a transfer order has been submitted to GSA. Need is based on the ability and willingness of the State agency requesting the property to effect prompt removal of the property from the holding activity following approval of the transfer order and to make prompt distribution to eligible donees. In certain cases, however, a large quantity of property with high donation potential may become available for donation and the State agency may be required to hold such property for a longer period of time in order to effect fair and equitable distribution among the donees in the State. When large quantities of property with high utilization potential become available for donation, the allocator shall ensure that broad allocation is made based on a careful evaluation of the quantity, condition, and other allocation factors. Utilization is based on the ability and willingness of the donee to place the property into use within 1 year after receipt and use it for a minimum period of 1 year thereafter. When competing requests are received from several States, the allocator may, particularly for items of high utilization potential, request from the State agency, or the requesting donee through the State agency, such information on need and proposed utilization as may be required to effect proper allocation. Allocators shall give preference to requests for property to be used for functional purposes over requests for transfer when the property is to be cannibalized or otherwise used for secondary purposes.

d. Special categories of property. All regional offices, area utilization officers, and personal property center managers shall familiarize themselves with the requirements of ch. 1-13 regarding the conditions imposed on the donation of property having characteristics which require special handling or use limitations. When transferring such property, the GSA approving official shall ensure that the State agency is aware of and agrees to abide by any special handling or use limitation as set forth on the SF 123, and that such special handling or use limitation is brought to the attention of the donee and is set forth in the State agency distribution document, which shall be binding on the donee. From time to time, property items may become available which, in the opinion of the allocating regional office, may require special handling requirements or use limitations. Such cases shall be reviewed with the Central Office prior to imposition of use limitations or special handling requirements so that a national policy can be established with respect to the types of property involved. All regional offices, area utilization officers, and personal property center managers shall carefully evaluate surplus personal property available for donation which may have characteristics necessitating the imposition of special handling requirements or use limitations. Appropriate recommendation should be made to the allocating regional office when handling or use restrictions on property items are considered essential.

e. Allocating factors. The following factors shall be applied by allocating regional offices in effecting the allocation and transfer of surplus personal property among the States:

(1) Need and usability of property as reflected in selections of property by a State agency, including specific expressions of need and interest on the part of public agencies or other eligible donees within the State, transmitted through the State agency to GSA. The allocator shall give special consideration to State agency requests which indicate that a donee has a requirement for specific items of property.

(2) Regions or States in greatest need of the type of property to be allocated, where a particular and important need is evidenced by a justification accompanying the request.

(3) Extraordinary needs occasioned by disasters or emergency situations other than for Federally declared disasters or emergencies in which donation of surplus personal property is made in accordance with the provisions set forth in ch. 7. Such disasters may involve fires, floods, earthquakes, drought conditions, hurricanes, typhoons, and other natural or man-made emergency conditions. From time to time, there will be circumstances when disaster conditions warrant special consideration by the Central Office in the allocation and transfer of surplus personal property among the States. In these cases the Central Office may impose special conditions on the allocating regional offices and may designate certain categories of property or items of property to be allocated to specific States. Allocating regional offices shall be required to give periodic reports to the Central Office on how needs are being met in response to these special situations.

(4) The quantity of property of the type under consideration which was previously or is potentially available to a State agency from a more advantageous source. This information can readily be obtained from FPRS-1 by use of "Type of Property Codes" as prescribed in the FPRS-1 Users Guide.

(5) Performance by a State agency in effecting timely pickup or removal of property allocated to the State and approved for transfer by GSA.

(6) Performance by a State agency in effecting prompt distribution of property to eligible donees.

(7) Equitable distribution based on the existing condition and the original acquisition cost of the property available for transfer. For purposes of the historical register, property will be coded N (new or unused), O (repaired or usable without repair), R (repair required), and X (scrap or salvage).

The allocator may input an inquiry to FPRS-1 to obtain historical register data by use of YSL documents as prescribed in the FPRS-1 Users Guide.

(8) Equitable distribution based on the ratio of population and per capita income of each State.

f. Evaluation of allocating factors.

(1) When two or more States have expressed an interest in the same property, an allocation evaluation shall first be made by the allocator using national entitlement percentages. Fig. 2-5.1 lists the national entitlements per State based on the ratio of population and per capita income. (See below.) A cumulative quarterly status report comparing actual State allocations in relation to entitlements will be issued by the Central Office so that allocators will be aware of which States are over or under their national entitlements. Fig. 2-5.2 [Link](#) illustrates the quarterly over/under allocation report. The entitlement method of allocation determines each State's apportionment of the amount of property available for a given line item. When available property is split among several States, the amount of each competing State's share should be proportional to the degree to which each State is above or below its entitlement.

(2) Prior to making a determination to allocate property on the basis of national entitlement percentages, the allocator shall carefully consider all other factors involved in allocating. Particular consideration shall be given to requirements for property needed for disaster or emergency situations as well as other particular or important needs of a region, State, or donee on file with the allocator. In all cases the physical condition of the property shall be carefully evaluated and the allocator shall ensure

that fair and equitable distribution is made among the requesting States based on such condition. Consistent delay by a State agency in removing property from a holding activity, or evidence that a State agency is not making prompt distribution of property in its possession, shall be considered by the allocator in evaluating competing requests received from several States for property regardless of the States' national entitlement.

(3) Subject to the provisions of (2), above, all States, regardless of their current standing in relation to entitlement, are entitled to their equitable share of highly desirable property. Provided sufficient quantities are available for allocation to all States requesting the property, the requesting States shall be allocated their proportionate share of the total available. Where quantities of highly desirable items are insufficient to allocate to all requesting States, available items shall be allocated on a rotating basis, determined from historical allocation records maintained in allocating regional offices.

Figure 2-5.1. National distribution target percentages

**NATIONAL DISTRIBUTION TARGET PER STATE
BASED ON INVERSE RATIO OF POPULATION AND PER CAPITA INCOME
PERCENTAGE REPORT
{Effective 10-31-97 thru 10-31-99}**

DISTRIBUTION			
<u>REGIONS & STATES</u>	<u>POPULATION IN THOUSANDS</u>	<u>PER CAPITA INCOME</u>	<u>TARGET PERCENTAGE</u>
<u>NATIONAL CAPITAL REGION</u>			

District of Columbia	539	\$34,129	0.04%
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REGION 1

Connecticut	3,267	\$33,875	0.23%
Maine	1,239	\$21,011	0.62%
Massachusetts	6,085	\$29,792	0.99%
New Hampshire	1,160	\$26,615	0.30%
Rhode Island	988	\$24,572	0.34%
Vermont	586	\$22,470	0.25%

REGION 2

New Jersey	8,002	\$31,334	0.98%
New York	18,134	\$29,181	3.27%
Puerto Rico	3,783	\$ 8,100	4.98%
Virgin Islands	97	\$15,320	0.08%

REGION 3

Delaware	723	\$27,724	0.16%
Maryland	5,060	\$27,618	1.16%
Pennsylvania	12,040	\$24,803	3.98%
Virginia	6,666	\$25,212	2.10%
West Virginia	1,820	\$18,160	1.17%

REGION 4

Alabama	4,287	\$20,131	2.31%
Florida	14,419	\$24,226	5.09%
Georgia	7,334	\$22,977	2.98%
Kentucky	3,882	\$19,797	2.16%
Mississippi	2,711	\$17,575	1.83%
North Carolina	7,309	\$22,205	3.22%
South Carolina	3,717	\$19,977	2.04%
Tennessee	5,307	\$21,949	2.40%

REGION 5

Illinois	11,845	\$26,848	3.01%
Indiana	5,828	\$22,601	2.46%
Michigan	9,731	\$24,945	3.16%
Minnesota	4,649	\$25,663	1.38%
Ohio	11,163	\$23,457	4.30%
Wisconsin	5,146	\$23,320	2.01%

REGION 6

Iowa	2,848	\$22,306	1.24%
Kansas	2,579	\$23,165	1.03%

Missouri	5,364	\$23,022	2.17%
Nebraska	1,649	\$22,917	0.67%

REGION 7

Arkansas	2,506	\$18,959	1.51%
Louisiana	4,341	\$19,664	2.45%
New Mexico	1,411	\$18,803	1.04%
Oklahoma	3,295	\$19,544	1.88%
Texas	19,091	\$22,282	8.34%

REGION 8

Colorado	3,816	\$25,704	1.13%
Montana	877	\$19,214	0.51%
North Dakota	643	\$20,448	0.34%
South Dakota	738	\$20,895	0.37%
Utah	2,018	\$19,595	1.14%
Wyoming	480	\$21,544	0.23%

REGION 9

American Samoa	60	\$ 5,148	0.09%
Arizona	4,434	\$21,363	2.13%
California	31,858	\$25,346	9.85%
Guam	157	\$16,817	0.11%
Hawaii	1,183	\$25,404	0.36%
Nevada	1,601	\$26,011	0.46%
Northern Marianas	52	\$12,194	0.05%

REGION 10

Alaska	605	\$24,398	0.21%
Idaho	1,188	\$19,837	0.66%
Oregon	3,196	\$23,074	1.28%
Washington	5,520	\$25,187	1.74%

g. Want lists. Each allocating regional office shall maintain a want list for specific major or unique items of property requested by State agencies within or outside its allocating area. Donees will submit to State agencies want lists for specific items of property, indicating the region or areas from which they are willing to acquire property. The State agency will forward the want list requirements to the appropriate allocating regional office. The allocating regional office shall retain a copy and transmit copies to other allocating regional offices, as appropriate. Distribution of noncatalogued SF's 120, Report of Excess Personal Property, in accordance with the procedures in h, below, to States located outside allocating areas may be based on these want lists.

h. Allocation and transfer of reportable surplus property.

(1) Reportable property located at Defense Reutilization and marketing Offices and Federal civilian agencies shall be processed as follows:

(a) Four to seven days prior to the SRD, each regional office will receive 18 copies of the current cycle of the "Items Available for Donation" (RCS 02) list. Copies of these lists shall be distributed to the allocating region, and each State agency under the jurisdiction of the allocating region, within 2 days of their receipt.

(b) During the first 10 days of the 21-day donation screening cycle, the region of location shall process requests received from public airport donees and service educational activities (SEA's).

(c) State agencies are to submit expressions of interest for reportable property, either in writing or by telephone, to the allocating region during the first 11 days of the 21-day donation screening cycle.

(d) On the 11th day of the donation screening cycle, the allocating regional office shall telephone the regional office of location and advise details of allocations which have been made to State agencies, including the list number, date of list, GSA control number, item number, quantity of issue, surplus release date, holding agency, and location of the property.

(e) The regional office of location shall telephone the State agencies and request the submission of transfer orders (SF's 123) for property that has been allocated to the States. These SF's 123 shall be approved by the regional office of location. Copies of approved SF's 123 must be sent to allocating regions upon request.

(f) On the 11th day of the donation screening cycle, the regional office of location shall annotate the "Items Available for Donation" listings to show property allocated to public airport donees, SEA's, and State agencies. All remaining property shall be referred to the utilization/donation specialists and the AUO's who will attempt to transfer the property to a State agency or a donee. Utilization/donation specialists and AUO's shall request the State agencies to submit SF's 123 for property transferred as a result of this residual screening. State agencies must enter the notation "RESIDUAL SCREENING" in block 12c of these SF's 123. The allocating office and AUO's will work closely in attempting to transfer all usable reportable property not being requested on initial screening so as to enhance the possibility of State agencies obtaining full payloads. Desirable low dollar value items suitable for pre-lotting procedure which are not selected by screeners, such as clothing and hardware, may be frozen by an AUO for residual screening.

(g) The regional office of location shall approve SF's 123 covering property allocated as a result of residual screening and make distribution, including a copy for the allocating region.

(h) All postings to FSS-23 for donation transfers, including inputs of historical and other data, shall be made by the regional office of location.

(2) Surplus military contractor inventory reported by Defense Industrial Plant Equipment Center (DIPEC) shall be processed as follows:

(a) Surplus military contractor inventory reported by DIPEC is listed as source code "7" on the "Items Available for Donation" lists.

(b) Allocation inputs to FSS-23 and residual screening procedures as outlined in (1), above, shall also apply to surplus military contractor personal property, except that the screening cycle will differ as follows:

(i) During the first 10 days of the donation screening period, SF's 123 received from the Federal Aviation Administration (public airports) and service educational activities shall be processed as usual. State agencies are to forward expressions of interest to allocating regions during the same 10-day time period.

(ii) At the close of business on the 10th day of the 15-day donation screening period, the regions shall annotate their "Items Available for Donation" lists to indicate property transferred to the FAA and SEA's. On that same date, the allocating regional offices shall advise the nonallocating regional offices what items have been requested by the State agencies. This information shall also be noted on the "Items Available for Donation" lists. The remaining property will be referred to the utilization/donation specialists and the AUO's who will attempt to place the property with a State agency or donee.

i. Allocation and transfer of nonreportable surplus property.

(1) Subject to the requirements and limitations of this subparagraph, regional offices shall approve SF's 123 for nonreportable surplus personal property. In order to expedite screening and transfer of surplus personal property for donation, and to promote prompt removal of the property, area utilization officers (AUO's) and personal property center managers shall be authorized to approve SF's 123 for nonreportable personal property to the maximum extent feasible.

(2) Nonreportable surplus personal property shall not be approved for donation by regional offices when:

(a) Nonreportable surplus property listings have been forwarded to the allocating region, as provided in (5), below, for allocation and transfer;

(b) The allocating regional office advises the regional office of those types and quantities of nonreportable property which are to be forwarded by the region to the allocating regional office for transfer approval; or

(c) Nonreportable items with a unit acquisition cost of \$10,000 or more are requested for donation. Regional offices shall consult with the allocating regional office before approving such transfers.

(3) AUO's and property center managers shall be alert to the generation of types of items or large quantities of nonreportable surplus personal property of which the allocating regional office should have cognizance and shall advise the allocating regional office through the regional office accordingly. The allocating regional office shall then decide whether allocation control over the property is required.

(4) Regional offices shall provide AUO's and property center managers with want lists for nonreportable property received from State agencies.

(5) By agreement between the regional office and the allocating regional office, AUO's and property center managers may prepare lists of surplus nonreportable personal property having high donation potential for distribution to States in a region or area. The AUO will freeze the property with the holding agency in accordance with FPMR 101-44.109 and 101-44.114(a) pending screening and selection. In cases where lists of nonreportable property are being circulated, copies of the lists and any subsequent SF's 123 requesting property on such lists shall be forwarded by the AUO or property center managers to the allocating regional office for approval unless the regional office and allocating regional office agree that the SF's 123 may be approved by the AUO or property center manager.

(6) By agreement between the State agencies and the allocating regional office, a State agency may prepare lists of surplus nonreportable personal property having high donation potential, located at Federal installations in the State, for distribution to other States agencies in a region or area. Copies of the lists and any subsequent SF's 123 requesting property on such lists shall be forwarded to the allocating regional office for approval unless the regional office and allocating regional office agree that the SF's 123 may be approved by the AUO or property center manager.

(7) Following the SRD, the AUO or property center manager will approve SF's 123 for unlisted

nonreportable surplus property in accordance with standard operating procedures.

j. Allocation control and adjustment.

(1) The regional office in which the property is located may revise the acquisition cost of items of property for purposes of effecting fair adjustment of entitlements based on written recommendations by State agencies. These recommendations are appropriate when the original acquisition cost on the acquiring document is not realistic.

(2) All property without written recommendation to be revised will be charged to entitlement as indicated in this paragraph.

(a) Acquisition cost will be charged as indicated in the following table based on the recorded condition code of the property. (These charges will be automatically computed in the FSS-23 computer system.)

<u>Condition Codes</u>	<u>Percent of Acquisition Cost to be Charged</u>
1	100%
2 and 4	80%
3, 5, and 7	60%
6 and 8	40%
9	20%
X and S	10%

(b) The adjusted acquisition cost for any line item will be limited to \$25,000.

(c) Costs charged to a State agency will be adjusted for overages or shortages of \$100 or more when overage or shortage reports are submitted within 90 calendar days of the date of allocation.

k. Evaluation of allocation results. Each allocating and nonallocating regional office shall conduct a continuous review and discussion of property allocations relative to entitlements for States within their area. The following elements should be included for an effective analysis of donation activities:

(1) The volume of property being generated and donated at major holding activities. This should include an analysis of collected data for both reportable and nonreportable surplus personal property. Regional offices should review donation screening procedures at holding activities which generate large quantities of surplus personal property but have low volumes of property transfers for donation purposes.

(2) The quality and type of surplus personal property being pro grammed for sale at holding activities within a region. Sales catalogs should be closely reviewed by each regional office in order to identify categories of property not being effectively screened and selected.

(3) The screening arrangements agreed to by regional offices and State agencies, including approved screening by donee representatives. Screening procedures must be constantly scrutinized and evaluated with respect to their relationship to allocation.

l. Coordination of donation activities.

(1) Allocating regional offices should be in continuous contact with nonallocating regional offices with regard to all donation matters affecting the State agencies in their area. Allocating regional officials should meet periodically with nonallocating regional officials, and to the extent feasible with AUO's and property center managers, for purposes of evaluating allocation performance, screening arrangements,

State entitlement, problems at holding agencies, and other matters of mutual interest. Particular attention should be given to States which are significantly below their entitlement levels.

(2) The Central Office shall monitor regional and area trends on the allocation of surplus personal property. The Central Office shall consult with regional offices regarding adjustments to the allocating formula and its related entitlement factors, State agency relationships, effective screening of surplus personal property, and other donation matters affecting the allocation processes.

6. Cooperative agreements.

a. Purpose. This paragraph provides information, guidelines, and procedures for the establishment of cooperative agreements between GSA (or the head of any Federal agency designated by the Administrator of General Services) and a State agency for use of property, facilities, personnel, and services, with or without payment or reimbursement and under the provisions of a cooperative agreement, for the use by the State agency of any surplus personal property in its possession subject to conditions imposed by GSA.

b. Background. Section 203(n) of the Federal Property and Administrative Services Act of 1949, as amended, provides that the Administrator, or the head of any Federal agency designated by the Administrator, for the purpose of carrying into effect the provisions of subsection 203(j) of the act, is authorized to enter into cooperative agreements with surplus property distribution agencies designated in conformity with that subsection. These cooperative agreements may provide for utilization by the Federal agency, with or without payment or reimbursement, of the property, facilities, personnel, and services of the State agency in carrying out its program. These agreements may also provide for making available to the State agency, with or without payment or reimbursement, property, facilities, personnel, or services of the Federal agency in connection with such utilization. Payment or reimbursement, if any, from the State agency shall be credited to the fund or appropriation against which charges would be made if no payment or reimbursement was received. In addition, under cooperative agreements and subject to other conditions that may be imposed by the Administrator, any surplus property transferred to the State agency for distribution pursuant to subsection 203(j)(3) of the act may be retained by the State agency for use in performing its functions. Unless otherwise directed by the Administrator, title to property so retained shall be vested in the State agency. Regulatory provisions for cooperative agreements are set forth in FPMR 101-44.206.

c. Use of property, facilities, personnel, and services.

(1) The regional office may enter into a cooperative agreement with a State agency to furnish to the State agency available property, facilities, personnel, or services of GSA that are found by the regional office and the State agency to be necessary and useful in assisting the State agency to distribute and use surplus donable personal property and otherwise to carry out the purposes of the donation program. Assistance may include furnishing Federal Telecommunications System (FTS) service on a reimbursable basis. It may also include furnishing available office space and related support such as office furniture and typewriters in regional offices, property centers, or field offices to State agency screeners or administrative clerical employees to assist them in screening and processing donable property for donation. Assistance shall be provided by the regional office, to the extent possible, without reimbursement; however, any extraordinary costs incurred by the regional office in providing assistance shall be on a reimbursable basis.

(2) The regional office may enter into a cooperative agreement with a State agency for the purpose of the State agency furnishing available property, facilities, personnel, or services that are found by GSA and the State agency to be necessary and useful in assisting the regional office to screen, transfer, and allocate surplus donable personal property and otherwise to carry out the purposes of the donation program. The provision of property, facilities, personnel, or services may be with or without payment or reimbursement to the State agency.

(3) In cases when a Federal agency designated by the regional office wishes to enter into a cooperative agreement with a State agency (or a State agency with a Federal agency) for the provision of property, facilities, personnel, or services to carry into effect the provisions of the donation program, and the Federal agency and the State agency are mutually agreeable to an arrangement, the regional office may concur in the establishment of a cooperative agreement and assist in its development. Payment or reimbursement shall be a matter for resolution between the Federal agency and the State agency.

d. Use of surplus property by a State agency. A State agency may enter into a cooperative agreement with the regional office providing for the retention by the State agency of items of surplus personal property transferred to it for distribution that are needed by the State agency in performing its donation functions. When a State agency wishes to retain items of donable property for its use it shall submit a listing of the property to the regional office. The list should provide an adequate description of the property, the condition and unit acquisition cost, and the original transfer order number. The regional office shall review the list to ensure that it is of the type and quantity of property which is reasonably needed and useful to the State agency in performing its function. The regional office may require additional information about the proposed use of the property if the type or quantity requested is considered unusual. Unless the regional office disapproves the retention of the property within 30 days of receipt of the listing, title to the property shall vest in the State agency. When the regional office rejects a State agency request to use donable items, the State agency may subsequently request a review by the Central Office. Separate records shall be maintained by the State agency for that property.

e. Interstate cooperative distribution agreements. The regional office may concur in a cooperative agreement (see fig. 2-6.1 [Link](#)) between two States which have contiguous boundaries whereby one State agency agrees to distribute donable surplus property to certain specified donees in the adjoining State. Agreements may be considered when the donees, because of their geographic proximity to the property distribution centers of the adjoining State, could be more efficiently and economically serviced than by their own State surplus property facilities. The payment or reimbursement of service charges by the donee shall be a matter of mutual agreement between the State agencies. By entering into an interstate cooperative distribution agreement, the State agreeing to service donees in an adjoining State shall agree, as agent for the adjoining State agency, to:

(1) Make certifications and agreements required by FPMR 101-44.204; and

(2) Require the donee to execute the distribution documents of the State agency in which the donee is located. Copies of distribution documents shall be forwarded monthly to the adjoining State agency.

f. Termination of agreements. Cooperative agreements entered into between the regional office and a State agency may be terminated by either party upon 60 calendar days written notice to the other party. Termination of an agreement between a Federal agency designated by the regional office and a State agency, and interstate cooperative distribution agreements, shall be as mutually agreed by the parties. The State agency shall advise the regional office of the termination of such agreements.

g. Authority. The State agency in its plan of operation will set forth its intention to enter into or to review or revise cooperative agreements, and cite State authority to do so. GSA Order, Delegation of Authority (OPS 5450.12), delegates to the Regional Administrator authority to enter into cooperative agreements with a State agency for the purposes of this paragraph. Fig. 2-6.2 [Link](#) provides the format for a cooperative agreement between a State agency and GSA. Following the execution of a cooperative agreement, the regional office will coordinate and assist the State agency in renewing or entering into arrangements with the Office of Information Resources Management (OIRM) with respect to the use of FTS by the State agency, and with the Public Buildings Service (PBS) or another Federal activity with respect to renewing or entering into arrangements for the use of federally owned real property and related personalty. The Central Office will provide full assistance to the regional office, as required, to consummate the agreements.

7. Screening.

a. General. Regional offices shall ensure, to the maximum extent possible, that all surplus personal property generated in their regions is made available for donation screening by State agency representatives and authorized donee screeners. Regional offices shall promote the donation program by encouraging State agencies and their authorized donee screeners to screen and list surplus personal property deemed usable and necessary for donation, and shall ensure that this property, regardless of its location, is made known to other States in accordance with the standards and guidelines set forth in par. 5. Area utilization officers (AUO's) and personal property center managers share in these responsibilities under the aegis of the regional office. Each regional allocating office shall work closely with the regional offices to assist and support efforts to maximize screening potential.

b. Training. Regional offices in coordination with State agencies shall develop and assist in conducting seminars and training sessions designed to promote improved screening, and to instruct screeners on the regulations and procedures of GSA and other Federal agencies pertaining to the processing, selection, acquisition, and use of surplus personal property, including contractor inventory.

c. Screening reviews. Each State agency is expected to provide screening capability, consistent with its resources, at Federal activities in the State which generate surplus personal property. When these activities are not being adequately screened by the State agency, the regional office may invite another State or States to screen these activities. Screenings will be coordinated and scheduled by the regional office. No State agency has a proprietary interest in surplus personal property located in its State. The regional office shall review the screening arrangements at generating activities in the region as frequently as necessary in order to evaluate their effectiveness and to ensure that they promote the maximum use of available surplus personal property and contribute to the attainment of equity in the allocation of such property. Screening reviews should be conducted no less frequently than every 2 years at major generating activities and every 3 years at minor activities. Reports on these reviews, including recommendations to improve screening efficiency or to correct deficiencies, shall be made in writing and a copy of each review forwarded to the Central Office.

d. Restricted rotational joint screening.

(1) Joint screening involves the concurrent screening of the same property at the same Federal generating activity by screeners from two or more States or regions. Essentially, such a program will involve the screening and selection of nonreportable surplus personal property. While screeners may inspect reportable property, both catalogued and noncatalogued, such property shall be processed under subpar. 5h, above. A nationwide program for restricted rotational joint screening shall be implemented by regional offices as follows:

(a) Each GSA regional office shall contact the State agencies within its area of jurisdiction to determine which property generating locations they want to screen. Requests for screening privileges outside the region's area of jurisdiction should be sent to the controlling region. Based on this information, the regions shall develop rotational screening schedules in concert with the State agencies. In developing the schedules, regional personnel should ensure that States without significant generating locations are given frequent and regular screening opportunities in adjoining States and regions to compensate for the lack of property within their own boundaries. The States which are scheduled to screen a given location at a given time shall include the State of location.

(b) If a regional office finds that a screening request cannot be honored for any reason, that regional office shall refer the matter with explanatory statements to the Central Office for review and final determination.

(c) All restricted rotational joint screening arrangements shall be based on the following criteria:

(i) Amount of property generated at the installation. If the amount of property available is

relatively low, the number of State agencies at the generating location will be restricted to ensure productive results. State agencies will be granted screening privileges at such locations based on priorities which reflect entitlement, nearness to the location, number of other generating locations available to the State agency, and the number of the donee screeners who will participate with the State agency.

(ii) Over/under States. Screening schedules favoring States under their entitlement must not deny screening visits to installations by States over their entitlement. Scheduling of visits by under-entitlement States, however, may be made more frequently than the scheduling of over-entitlement States. In instances where over- and under-entitlement States are competing for the same property, priority of allocation shall be given to the under-entitlement State, except where the over-entitlement State evidences an extraordinary need for the type of property to be allocated.

(iii) Donee screeners. When a State agency (including any over-entitlement State) indicates that authorized donee screeners will participate with the State in screening activities on a regular basis, an opportunity must be given to that State to screen the installation more frequently than States not accompanied by donee screeners.

(iv) Coordination. Screening arrangements must be coordinated and finalized between the regional office and the State agency for the State in which the installation is located, the DPDO, civil agency, or contractor installation where property will be screened, and the regional office serving the requesting State agency.

(v) Termination or alteration of screening arrangements. Screening arrangements may be terminated or screening schedules altered at any installation when the authorizing region and the State agency determine that the arrangement or schedule is not productive. A State agency's screening privilege may also be terminated or altered if the State agency frequently fails to screen the installation as scheduled.

(vi) Installations with high donation potential. State agencies shall be encouraged to screen installations where statistics show that property generations are high and transfers for donation are low.

(d) State agencies are responsible for preparing transfer orders (SF's 123) for property allocated as a result of restricted rotational joint screening. SF's 123 must be sent to the regional office serving the installation for approval and processing. A copy of each SF 123 must be sent by the State agency to the holding agency to confirm the "freeze" on the property at the time copies go to the regional office for approval.

(e) Each regional office must keep a log of all restricted rotational joint screening arrangements that they have authorized. The log should include the date of authorization, the name of the requesting State, the name of the installation screened, the frequency of screening, the State and the region of location of the holding activity, and the region of location of the requesting State. From time to time, the Central Office will request information on regional screening arrangements.

(2) Programs for cooperative screening by groups of State agencies, such as the Western States Surplus Property Organization's program, may also be used if they are advantageous and not in conflict with the goals of the donation program. When such programs are established, screening requests by nonprogram States should be honored if it is believed they will be productive. All requests for property should be processed by the controlling region.

(3) Any State agency will be allowed to "trail screen" at any generating location on any established screening date.

8. Eligibility.

a. Purpose. This paragraph provides information, guidelines, and standards for the determination of eligibility for public agencies and nonprofit, tax-exempt activities in each State to participate in the surplus personal property donation program, to receive surplus property through a State agency, and to use this property for the purposes authorized by the Federal Property and Administrative Services Act of 1949, as amended, and by section 213 of the Older Americans Act of 1965, as amended.

b. Determinations. The State agency shall determine the eligibility of applicants for donation of surplus personal property in accordance with the procedures set forth in its plan of operation, and with the standards and guidelines set forth in this chapter and in app. B.

c. Definitions. Definitions relating to the eligibility of public agencies and nonprofit, tax-exempt institutions and organizations are in app. A.

d. Public agencies. Surplus personal property may be donated through the State agency to any public agency in the State. A public agency includes any:

- (1) State or department, agency, or instrumentality thereof;
- (2) Political subdivision of the State, including any unit of local government or economic development district, or any department, agency, or instrumentality thereof;
- (3) Instrumentality created by compact or other agreement between a State or political subdivision;
- (4) Multijurisdictional sub-State district established by or pursuant to State law; and
- (5) Indian tribe, band, group, pueblo, or community located on a State reservation.

e. Public purpose. Surplus personal property acquired through the State agency must be used by the public agency to carry out or to promote for the residents of a given political area one or more public purposes. While the act lists certain specific public purposes such as conservation, economic development, education, parks and recreation, public health, and public safety, this enumeration is not exclusive and is not intended to preclude the acquisition of donable surplus personal property by a public agency for other public purposes. In effecting fair and equitable distribution of property, based on the relative needs and resources of interested public agencies and other authorized donees and their ability to use the property, it is intended that the State agency give full and fair consideration to the requirements of public agencies for property necessary and usable for conservation, economic development, education, parks and recreation, public health and public safety, and other public purposes. Activities and functions involved in designated public programs may include, but are not limited to, the following:

(1) Conservation. State and local agencies and districts may be involved mutually in carrying out programs to conserve natural resources. Indian tribes or communities located on a State reservation may also be involved in conservation projects as well as other public programs such as economic development.

(2) Economic development. Programs designed to develop the economy by establishing or expanding industry, commerce, or agriculture in a given geographic area may include economic development districts and other activities of public agencies involved in activities such as municipal water and sewage departments operating sewage systems and waste treatment plants; State or local street or highway departments involved in construction or improvement of roads; port authorities and public airport commissions involved in harbor and public airport development; public transit authorities providing public transportation; environmental and antipollution programs of municipal, county, or State agencies; and State and local agencies involved in tourism development.

(3) Education. Public schools, colleges, and universities are directly involved in the educational process. Special schools for the physically handicapped or the mentally retarded, as well as vocational and trade schools and educational radio and television stations, are among the educational institutions which directly contribute to the educational development of a district, town, city, county, or other governmental jurisdiction. Child care centers not only provide education benefits but also may promote economic development and public safety. Central administrative and service facilities of public school systems are equally necessary to successfully carry out and improve public education. Public libraries and museums also provide an essential educational and cultural service to a community.

(4) Parks and recreation. Agencies of the State, counties, cities, and other instrumentalities of local government are directly involved in the acquisition, development, improvement, and maintenance of public parks and other recreational facilities which benefit the general public. Public parks, playgrounds, swimming pools, and golf courses are some of the many public facilities which not only provide recreational benefits but also promote economic development, conservation, and public health.

(5) Public health. Public health services are directly provided by hospitals, clinics, health centers, and other designated medical institutions. Public agencies also provide broad public health benefits with regard to the control of communicable diseases, immunization, public health nursing, maternal and child health programs, classes in health education and nutrition, and other health programs. Such activities may be carried out in a clinic or subsidiary center in a community, in a person's home, in a school, or in a private business office or plant. Other vital programs carried out by State, county, or local health departments or other designated agencies directly protect public health and safety as well as promote economic development. These programs may include inspection of meat, food, and water; control and elimination of disease-carrying animals or insects by fogging, spraying, or other methods; water purification and water distribution systems; sewage treatment and disposal systems, garbage and trash disposal; and sanitary landfill facilities. These types of public health functions or services contribute directly to the general health and well being of the geographical area served, and public agencies may acquire surplus personal property to support these programs.

(6) Public safety. Public safety includes not only law enforcement agencies but agencies involved in the prevention, control, and treatment of alcohol and drug abuse; agencies which provide services to children such as child care centers and activities serving neglected, dependent, abused, and delinquent children; and agencies and courts within the criminal justice system. Equally essential to public safety are State and local civil defense agencies and local fire departments and rescue squads. The availability of fire and rescue equipment at public airports is another illustration of an equally vital public safety requirement.

(7) Programs for older individuals. State or local government agencies which receive funds appropriated for older individuals under the Older Americans Act of 1965, as amended, under title IV or title XX of the Social Security Act, or under titles VIII and X of the Economic Opportunity Act of 1964 and the Community Services Block Grant Act, are eligible to receive surplus property through donation. Programs for older individuals include services that are necessary for the general welfare of older individuals, such as social services, transportation services, nutrition services, legal services, and multipurpose senior centers.

f. Eligibility of nonprofit tax-exempt activities. Surplus personal property may be donated through the State agency to nonprofit, tax-exempt activities, as defined in app. A, within the State, such as:

- (1) Medical institutions;
- (2) Hospitals;
- (3) Clinics;

- (4) Health centers;
- (5) Schools;
- (6) Colleges;
- (7) Universities;
- (8) Schools for the mentally retarded;
- (9) Schools for the physically handicapped;
- (10) Child care centers;
- (11) Radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations;
- (12) Museums attended by the public;
- (13) Libraries serving free all residents of a community, district, State, or region; or
- (14) Organizations or institutions that receive funds appropriated for programs for older individuals under the Older Americans Act of 1965, as amended, under title IV or title XX of the Social Security Act, or under titles VIII and X of the Economic Opportunity Act of 1964 and the Community Services Block Grant Act. Programs for older individuals include services that are needed for their general welfare, such as social services, transportation services, nutrition services, and multipurpose senior centers.

g. Nonprofit. In order to qualify as an eligible donee, a nonprofit institution or organization must be tax-exempt under the provisions of section 501 of the Internal Revenue Code of 1954.

h. Educational and public health purposes. Surplus personal property acquired through the State agency must be used by a nonprofit educational or public health institution or organization for purposes of education or public health as defined in app. A, including research for any such purpose. While this does not preclude the use of donated property by an eligible nonprofit educational or public health institution or organization for a related or subsidiary purpose incident to the institution's overall program, the property must be used essentially for the primary educational or public health function for which the activity receives donable property and not for a nonrelated or commercial purpose. The enumeration of institutions and organizations in f, above, is descriptive and not exclusive and is not intended to preclude determinations by the State agency of eligibility for other nonprofit educational and public health activities. These activities may include, but are not limited to:

(1) Geriatric centers which are public health institutions and which furnish public health and medical services to the aged;

(2) Nursing homes which are public health institutions providing skilled nursing care and related medical services to individuals admitted because of illness, disease, or physical or mental infirmity. A nursing home may be considered as a qualified public health institution if it is either:

(a) A nursing home operated in connection with a hospital;

(b) A facility for long-term care of convalescents, chronic disease patients, or other persons who require skilled nursing care and related medical services in which the nursing care and medical services are prescribed by or are performed under the general direction of persons licensed to practice medicine or surgery in the State; or

(c) A nursing home certified to provide health services to medicaid or medicare patients under the provisions of the Social Security Act. Nursing homes which do not meet these requirements or whose primary purpose is domiciliary care will not be considered as qualifying as public health institutions and;

(3) Alcoholic and drug abuse treatment centers which are clinics or medical institutions and which provide for the diagnosis, treatment, and rehabilitation of alcoholics and drug addicts may qualify as eligible donees. These centers should have available professional medical staffs on a regular visiting basis.

i. Application for eligibility. Each State agency maintains a record for each eligible donee. This record includes the following:

(1) Application. The application sets forth:

(a) The legal name and address of the applicant;

(b) The status of the applicant as a public agency or as an eligible nonprofit, tax-exempt activity (evidence should be included in the file that the applicant is a public agency or has been determined to be nonprofit and tax-exempt under section 501 of the Internal Revenue Code of 1954.);

(c) Details concerning the applicant's public program activities or, when it is an eligible nonprofit, tax-exempt activity, the specific programs and facilities operated by the applicant;

(d) Evidence that the applicant is approved, accredited, or licensed, when it is a requirement of one or more of the applicant's programs; and

(e) Certification that the applicant is receiving funds appropriated for programs for older individuals under the Older Americans Act of 1965, as amended, or under title IV or title XX of the Social Security Act, or under titles VIII and X of the Economic Opportunity Act of 1964 and the Community Services Block Grant Act, when the applicant is a nonprofit, tax exempt activity that conducts programs for older individuals. The certification must state the expiration date of the certification, as eligibility will be limited to the period covered by the certification.

(2) Resolution. The resolution is a written authorization signed by the chief administrative officer or executive head of the donee activity, or a resolution by the governing board or body, designating one or more representatives to act for the applicant acquiring donable property from the State agency, to obligate any necessary funds of the applicant for this purpose, and to execute the State agency distribution document. The State agency distribution document includes terms, conditions, reservations, and restrictions that the State agency or GSA may establish on the use and disposal of the property.

(3) Nondiscrimination assurance. The necessary assurance, as prescribed in fig. 2-8 [Link](#), that the applicant will comply with GSA's regulations on nondiscrimination in FPMR 101- 6.2 and 101- 8.

j. Needs and resources. In order that the State agency in distributing property can give fair and equitable consideration to the relative needs and resources of donees within the State and their ability to utilize the property, the State agency may require each applicant, at the time it submits its application for eligibility determination, to provide a statement on the types of property needed for use in the applicant's program. The State agency may also request such financial information as may be needed to evaluate the relative financial needs and resources of the applicant.

k. Maintaining eligibility. Records for public agencies and nonprofit, tax-exempt donees must be updated as frequently as necessary to ensure that all documentation required to justify the donee's

eligibility is current and accurate. Particular care must be taken to ensure that the donee resolution is current and that the statement of designated representatives contained therein is correct. Files for skilled nursing-homes, intermediate care facilities, alcohol and drug abuse centers, programs for older individuals, and other programs whose eligibility depend on annual appropriations, annual licensing, or annual certification must be updated each year. When an eligible donee ceases to operate or when it loses its license, accreditation or approval, or otherwise fails to maintain its eligibility status, the State agency shall terminate its distribution of property to the activity.

l. Conditional eligibility. In certain cases, newly organized activities may not have commenced operations or completed construction of their facilities, or may not yet have been approved, accredited, or licensed as may be required to qualify as eligible donees. In other cases, there may be no specific authority which can approve, accredit, or license the applicant as required for qualification. In these cases, the State agency may accept letters from public authorities, either local or State, which the State agency deems competent, such as a board of health or a board of education, that the applicant otherwise meets the standards prescribed for approved, accredited, or licensed institutions and organizations. For educational activities, letters from three accredited or approved institutions that students from the applicant institution have been and are being accepted may be deemed sufficient by the State agency. In the case of public health institutions or organizations, licensing with respect to public health applicants may be accepted by the State agency as evidence of approval in States where there is no authority which can, as a legal or as a policy matter, approve hospitals, clinics, health centers, or medical institutions, provided the licensing authority prescribes the medical requirements and standards for the professional and technical services of the institution. Where construction has not been completed, the State agency, after evaluating the progress and potential of the applicant, may at its discretion make available surplus items of property which can be immediately utilized at this point in the applicant's program. In every case where an applicant is allowed to acquire donable property on the basis of conditional eligibility, the State agency must keep a complete record of the property that is donated. Under no circumstances shall conditional eligibility be granted to a potentially eligible nonprofit, tax-exempt applicant before the State agency has received from the applicant a copy of a letter of determination by the Internal Revenue Service stating that the applicant is exempt from Federal taxation under section 501 of the Internal Revenue Code of 1954. The State agency must also advise the applicant that failure to meet the terms under which eligibility was granted would mean that any property donated to the applicant would have to be returned to the State agency, or if this is impracticable, the applicant would have to pay the fair market value of the property.

m. Assistance in determining eligibility. A State agency may request assistance from the GSA regional office in determining the eligibility of an applicant institution or organization. State agencies should obtain the assistance of the State attorney before sending the case file to the regional office. The regional office should review the case, draft an opinion on the eligibility of the applicant and, if necessary, have the office of Regional Counsel review the opinion before advising the State agency of its decision. Eligibility applications that might have a national impact must be coordinated with the Central office before releasing the regional office's determination. When an eligibility determination cannot readily be made by the regional office, the case may be sent to the Central office for review. The regional office must send a copy of its recommendation, plus a copy of the Regional Counsel's opinion, along with the complete case file. The case file, with supporting documentation, should address all elements referenced in FPMR 101-44.207 and i, above. Appeals of negative determinations of eligibility, whether appealed by an applicant or a State agency, must be sent promptly to the Central Office, together with the comments and recommendations of the State agency, the Federal Supply Service Bureau, and the office of Regional Counsel, for review and determination by Central Office.

n. Subsequent determinations of ineligibility. When a determination is made by a State agency that an applicant previously determined eligible for the donation of surplus personal property is in fact ineligible, it is the responsibility of the State agency to immediately terminate the donation of surplus personal to that applicant. Guidelines for recovery of property distributed to such applicants are contained in ch. 11- 8.

9. Terms and conditions on donated property.

a. Distribution documents. Donation of surplus personal property must be accomplished by the use of a State agency distribution document which contains the same certifications, terms, and conditions set forth in fig. 2-9.1 [Link](#). If a State agency finds it impractical to include the required donee certifications and agreements on its issue documents once they are computerized, the following actions must be taken:

(1) The State agency must require the donee's authorized representative to execute a certification to the terms and conditions of donation at the time the donee's eligibility application is processed. This certification should then be placed in the donee's eligibility file. If eligibility has previously been established, the certification must be executed by the donee's authorized representative and placed in the donee's eligibility file before implementing use of the computer generated distribution documents. A new certification must be executed each time a periodic review of the donee's file is undertaken.

(2) The computer-generated distribution document must contain a statement above the donee signature line which makes reference to the eligibility file certification document as follows:

"The donee agrees to the certifications and agreements contained in the certification document executed on _____ (DATE) _____."

b. Conditional transfer documents. Some property, because of its special or sensitive nature, requires special handling and may require additional terms and conditions in the documentation by which it is distributed. In addition to the State agency distribution document, the donation of such property shall be accomplished by the use of a conditional transfer document which contains the additional terms and conditions applicable to the property. For example, vessels (50 feet or more in length) and aircraft with a unit acquisition cost of \$5,000 or more, including all combat-type aircraft, are donated by the State agency, subject to special handling and use limitations imposed on the donee by GSA pursuant to the requirements of ch. 1-13, as well as such further terms, conditions, reservations, and restrictions as are imposed on the donee by the State agency in accordance with the:

- (1) Vessel conditional transfer document (see fig. 2 9.2 below);
- (2) Noncombat-type aircraft conditional transfer document (see fig. 2-9.3 below); and
- (3) Combat-type aircraft conditional transfer document (see fig . 2- 9. 4 below) .

Figure 2-9.2. Vessel conditional transfer document

VESSEL CONDITIONAL TRANSFER DOCUMENT

KNOW ALL MEN BY THESE PRESENTS: That the United States of America (hereinafter called the General Services Administration (GSA)) acting by and through the State of _____, State Agency for Surplus Property (hereinafter called the SASP), pursuant to the powers and authority contained in the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, for and in consideration of and in reliance upon the representations of _____, whose address is _____ (hereafter called the Donee) that the Property hereinafter described is required in the furtherance of the Donee's program and that such Property will be used solely in connection with such programs and more specifically for all the following purpose(s):

in accordance with the proposed program and plan as set forth in the Donee's "Letter of Intent" dated _____, as amended _____, which Expression of Interest is hereby incorporated herein and made a part thereof, and for no other purpose, does hereby deliver, sell, assign, and transfer all rights, title, and interest in and to the following described vessel:

together with all engines, appurtenances, and accessories attached thereto or installed therein (all of which are hereinafter referred to as the Property), which has been determined by GSA to have a fair market value of \$_____, unto the Donee to have and to hold the said Property, all and singular forever, this donation being made on an "as is, where is" basis without warranty of any kind and delivery is made at the present location of the Property regardless of where the same may be situated or the condition thereof:

SUBJECT, HOWEVER, to the following conditions and restrictions:

1. The Donee agrees to obtain documentation of the vessel under the applicable laws of the United States and regulations promulgated thereunder and the applicable laws of the several States governing the documentation of said Property and at all times to maintain such documentation. Upon written request and sufficient evidence to justify such action, GSA may waive the requirement for documentation in the case of donated vessels which are to be permanently moored on land and never to be used again on the waterways.
2. The Donee agrees to record this Vessel Conditional Transfer Document with the Coast Guard Documentation Officer at the port of documentation of the Property within 30 days after the receipt of the fully executed Vessel Conditional Transfer Document. If documentation is waived under (1), above, the requirement for registration may also be waived.
3. The Property shall be placed in use for the purpose stated above no later than 12 months after acquisition thereof and used for that same purpose for a 12-month period thereafter.
4. There shall be a further period of restriction beginning on the date the Property has been used for the period prescribed in (3), above. This period will expire after the Property has been used for the purpose stated above for an additional period of 48 months. During this additional period of restriction, the Property shall be used only for the purpose(s) stated above.
5. In the event the Donee does not record this Vessel Conditional Transfer Document with the Coast Guard Documentation Officer at the port of documentation of the Property within 30 days after the date of receipt of the fully executed Vessel Conditional Transfer Document, or in the event the Property is not placed in use within 12 months of receipt and used for a 12-month period thereafter, the Donee shall within 30 days after the date on which the instrument should have been recorded, or within 30 days after the Property has ceased to be used, provide notice thereof in writing to the SASP, and at the Donee's expense, return such Property to the SASP or otherwise make the Property available for transfer, provided the Property is still usable as determined by the SASP, or otherwise dispose of the Property,

through the SASP, as may be directed by GSA.

6. In the event the Property is not so used or handled as required by (1), (2), (3), (4), and (5), above, title and right to the possession of the Property shall, at the option of GSA, revert to the United States Government. Upon demand the Donee shall, as directed by GSA through the SASP, release the Property to such person or agency as may be designated, sell the Property, or otherwise dispose of the Property. Any sale shall be for the benefit and account of the United States Government.

7. During the periods of restrictions prescribed in (3) and (4), above, the Donee shall make reports to the SASP on the use, condition, and location of the Property and on other pertinent matters as may be required from time to time by the SASP or GSA.

8. During the periods of restriction prescribed in (3) and (4), above, the Donee shall not sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of the Property, or remove it permanently for use outside the State, without the prior written approval of GSA. The proceeds from any sale, trade, lease, loan, bailment, encumbrance, or other disposal of the Property during the period of restriction set forth in (3) and (4), above, when such action is authorized in writing by GSA, shall be for the account of the United States Government.

9. In the event, during the periods of restriction prescribed in (3) and (4), above, the Property is sold, traded, leased, loaned, bailed, cannibalized, encumbered, or otherwise disposed of without prior written approval of GSA, or is used for a purpose other than the purpose(s) stated, the Donee, at the option of GSA, shall be liable for the proceeds of the disposal, the fair market value, or the fair rental value of the Property at the time of such unauthorized transaction or use, as determined by GSA.

10. If at any time, from the date the Donee receives the Property through the periods of restriction prescribed in (3) and (4), above, the Property is no longer suitable, usable, or required by the Donee for the purpose for which required, the Donee shall promptly notify the SASP, and shall, as directed by GSA through the SASP, return the Property to the SASP, transfer the Property to another Donee or another State agency or to a department or agency of the United States, sell the Property for the account and benefit of the United States with the proceeds remitted promptly to GSA from the Donee, or otherwise dispose of the Property as directed by GSA.

11. At the option of GSA, the Donee may obtain abrogation of the terms and conditions set forth in (4) and (6) through (10), above, by payment of an amount determined by and with the written concurrence of GSA.

12. GSA may waive any or may terminate all of the terms and conditions set forth in (4) and (6) through (10), above, and give unrestricted title to the Property in favor of the Donee whenever such action is determined in writing by GSA to be appropriate.

13. The Donee agrees to hold harmless and indemnify the Government for any and all costs, judgment, action, debt, liability costs and attorney's fees or any other request for monies of any type of relief arising from or incident to the transfer, donation, use processing, disposition, or any subsequent operation performed upon, exposure to or contact with any component, part, constituent or ingredient of the item, material or substance, whether intentional or accidental.

IN WITNESS WHEREOF, the Donor and Donee have duly executed this instrument this ____ day of _____, 19____.

United States of America, Acting
by and through the _____
State Agency for Surplus Property

By _____
Title _____

DONEE:

By _____
Title _____
Institution or Organization

CITY of _____
COUNTY of _____
STATE of _____

On the _____ day of _____, 19____, before me appeared _____, to me personally known, who, being by me duly sworn, says that she/he is the person who executed the foregoing instrument and that such instrument was executed under duly delegated authority on behalf of the State Agency for Surplus Property, and acknowledged the foregoing instrument to be the free act and deed of the State of _____.

Given under my hand and official seal the day and year above written.

Notary Public in and for the
CITY of _____
COUNTY of _____
STATE of _____

(SEAL)

My Commission Expires: _____

CITY of _____)
STATE of _____)
COUNTY of _____)

On this _____ day of _____, 19____, before me appeared _____, to me personally known, who, being by me duly sworn, says that she/he is the person who executed the foregoing instrument on behalf of the _____ and acknowledged to me that she/he was duly authorized to execute the foregoing instrument and that she/he executed the same as a free act and deed of said _____.

Given under my hand and official seal the day and year above written.

Notary Public in and for the
CITY of _____
COUNTY of _____
STATE of _____

(SEAL)

My Commission Expires: _____

Figure 2-9.3. Non-combat-type aircraft conditional transfer document

NON-COMBAT-TYPE AIRCRAFT CONDITIONAL TRANSFER DOCUMENT

KNOW ALL MEN BY THESE PRESENTS: That the United States of America (hereinafter called the General Services Administration (GSA)) acting by and through the State of _____, State Agency for Surplus Property (hereinafter called the SASP), pursuant to the powers and authority contained in the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, for and in consideration of and in reliance upon the representations of _____ whose address is _____ (hereinafter called the Donee) that the Property hereinafter described is required in the furtherance of the Donee's program and that such Property will be used solely in connection with such programs and more specifically for all the following purpose(s):

in accordance with the proposed program and plan as set forth in the Donee's "Letter of Intent" dated _____, as amended _____, which Expression of Interest is hereby incorporated herein and made a part thereof, and for no other purpose, does hereby deliver, sell, assign, and transfer all of its rights, title, and interest in and to the following described non-combat-type aircraft, aircraft engines, and propellers,

together with all engines, appurtenances, and accessories attached thereto or installed therein (all of which are hereinafter referred to as the Property), which has been determined by GSA to have a fair market value of \$_____, unto the Donee to have and to hold the Property, all singular forever, this donation being made on an "as is, where is" basis without warranty of any kind, and delivery made at present location of the Property regardless of where the same may be situated or the condition thereof.

SUBJECT, HOWEVER, to the following conditions and restrictions:

1. The Donee agrees to apply to the Federal Aviation Administration (FAA) for registration of the Property which is intended for flight purposes within 30 days of the receipt of a fully executed copy of this instrument. The Donee's application for registration shall include a fully executed copy of this instrument.
2. The Property shall be placed in use for the purpose stated above no later than 12 months after acquisition thereof, and used for that same purpose for a 12-month period thereafter.

3. There shall be a further period of restriction beginning on the date the Property has been used for the period prescribed in (2), above. This additional period will expire after the Property has been used for the purpose stated for an additional period of 48 months. During this additional period of restriction, the Property shall be used only for the purpose(s) stated above.

4. In the event the Donee does not apply to the FAA for registration of the Property which is intended for flight operations (or other uses unless registration is waived by GSA) or in the event the aircraft is not placed in use within 12 months of receipt, and used for a 12 month period thereafter, within 30 days after the Property has ceased to be used, the Donee shall provide notice thereof in writing to the SASP, and at the Donee's expense,

return such Property to the SASP or otherwise make the Property available for transfer, provided the Property is still usable as determined by the SASP or otherwise dispose of the Property, through the SASP, as may be directed by GSA.

5. In the event the Property is not so used or handled as required by (1), (2), (3), and (4), above, title and right to the possession of the Property shall at the option of GSA revert to the United States Government. Upon demand the Donee shall, as directed by GSA through the SASP, release the Property to such person or agency as may be designated, sell the Property, or otherwise dispose of the Property. Any sale shall be for the benefit and account of the United States Government.

6. During the periods of restriction prescribed in (2) and (3), above, the Donee shall make reports to the SASP on the use, condition, and location of the Property and on other pertinent matters as may be required from time to time by the SASP or GSA.

7. At the expiration of the period of restriction prescribed in (3), above, a release document shall be executed by the State Agency for Surplus Property and forwarded to the Donee.

8. During the periods of restriction prescribed in (2) and (3), above, the Donee shall not sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of the Property, or remove it permanently for use outside the State, without the prior written approval of GSA. The proceeds from any sale, trade, lease, loan, bailment, encumbrance, or other disposal of the Property during the period of restriction set forth in (2) and (3), above, when such action is authorized by GSA, shall be for the benefit and account of the United States Government.

9. In the event, during the periods of restriction prescribed in (2) and (3), above, the Property is sold, traded, leased, loaned, bailed, encumbered, or otherwise disposed of without prior written approval of GSA, the Donee, at the option of GSA, shall be liable for the proceeds of the disposal, the fair market value, or the fair rental value of the Property at the time of such unauthorized transaction or use, as determined by GSA.

10. If at any time, from the date the Donee receives the Property through the periods of restriction prescribed in (2) and (3), above, the Property is no longer suitable, usable, or further needed by the Donee for the purpose for which acquired, the Donee shall promptly notify the SASP and shall as directed by GSA through the SASP:

- (a) Release the Property to another donee or State agency;
- (b) Release the Property to a department or agency of the United States;
- (c) Release the Property to such other institution or agency as may be determined to have need therefor;
- (d) Sell the Property for the benefit and account of the United States of America with the proceeds

remitted promptly from the Donee to GSA;

(e) Render the Property completely unfit and useless for any purpose except for the recovery of its basic material content, the same to be performed in a manner satisfactory to GSA and the material content to be disposed of in accordance with instructions of GSA; or

(f) Otherwise dispose of the Property as directed by GSA.

11. At the option of GSA, the Donee may obtain abrogation of the terms and conditions set forth in (3) and (6) through (10), above, by payment of an amount determined by GSA.

12. GSA may waive any or may terminate all of the terms and conditions set forth in (3) and (6) through (10), above, and give unrestricted title to the Property in favor of the Donee whenever such action is determined in writing by GSA to be appropriate.

13. The Donee agrees to hold harmless and indemnify the Government for any and all costs, judgment, action, debt, liability costs and attorney's fees or any other request for monies of any type of relief arising from or incident to the transfer, donation, use processing, disposition, or any subsequent operation performed upon, exposure to or contact with any component, part, constituent or ingredient of the item, material or substance, whether intentional or accidental.

IN WITNESS WHEREOF, the Donor and the Donee have duly executed this instrument this _____ day of _____, 19__.

United States of America Acting by
and through the _____
State Agency for Surplus Property

By _____
Title _____

DONEE:

By _____
Title _____
Institution or Organization

CITY of _____)
COUNTY of _____)
STATE of _____)

On this _____ day of _____ 19__, before me appeared _____,
to me personally known, who, being by me duly sworn, says that she/he is the person who executed the foregoing instrument and that such instrument was executed under duly delegated authority on behalf of the State Agency for Surplus Property, and acknowledged the foregoing instrument to be the free act and deed of the State of _____.

Given under my hand and official seal the day and year above written.

Notary Public in and for the
CITY of _____
COUNTY of _____
STATE of _____

(SEAL)

My Commission Expires: _____

CITY of _____)
COUNTY of _____)
STATE of _____)

On this ____ day of _____, 19____, before me appeared
_____, to me personally known, who, being by me duly sworn, says
that she/he is the person who executed the foregoing instrument on behalf of said _____,
and acknowledges to me that she/he was duly authorized to execute the foregoing instrument and that
she/he executed the same as a free act and deed of said _____.

Given under my hand and official seal of the day and year above written.

Notary Public in and for the
CITY of _____
COUNTY of _____
STATE of _____

(SEAL)

My Commission Expires: _____

Figure 2-9.4. Combat-type aircraft conditional transfer document

COMBAT-TYPE AIRCRAFT CONDITIONAL TRANSFER DOCUMENT

KNOW ALL MEN BY THESE PRESENTS: That the United States of America (hereinafter called the General Services Administration (GSA)) acting by and through the State of _____, State Agency for Surplus Property (hereinafter called the SASP), pursuant the powers and authority contained in the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, for and in consideration of and in reliance upon the representations of _____ whose address is _____ (hereinafter called the Donee) that the Property hereafter described is required in the furtherance of the Donee's program and that such Property will be used solely in connection with such programs and more specifically for all the following purpose(s):

in accordance with the proposed program and plan as set forth in the Donee's "letter of Intent" dated _____, as amended _____, which Expression of Interest is hereby incorporated herein and made a part thereof, and for no other purpose, does hereby deliver, sell, assign, and transfer all of its rights, title, and interest in and to the following described combat-type aircraft, aircraft engines, and propellers,

together with all engines, appurtenances, and accessories attached thereto or installed therein (all of which are hereinafter referred to as the Property), which has been determined by GSA to have a fair market value of \$_____, unto the Donee to have and to hold the Property, all singular forever, this donation being made on an "as is, where is" basis without warranty of any kind, and delivery made at present location of the Property regardless of where the same may be situated or the condition thereof:

SUBJECT, HOWEVER, to the following conditions and restrictions:

1. The Donee agrees that the aircraft shall not be used for flight purposes.
2. The Property shall be placed in use by the Donee for the purpose stated above no later than 12 months after acquisition thereof and shall be used thereafter for such purpose in perpetuity.
3. In the event the aircraft is not placed in use by the donee within 12 months of receipt and used thereafter in perpetuity, within 30 days after the Property has ceased to be used, the Donee shall provide notice thereof in writing to the SASP, and at the Donee's expense, return such Property to the SASP or otherwise make the Property available for transfer, provided the Property is still usable as determined by the SASP or otherwise dispose of the Property through the SASP, as may be directed by GSA.
4. In the event the Property is not so used or handled as required by (1), (2), and (3), above, title and right to the possession of the Property shall at the option of GSA revert to the United States Government. Upon demand the Donee shall, as directed by GSA through the SASP, release the Property to such person or agency as may be designated, sell the Property with the proceeds remitted promptly by the Donee to GSA, or otherwise dispose of the Property. Any sale shall be for the benefit and account of the United States Government.
5. During the period of restriction prescribed in (2) and (3), above, the Donee shall make reports to the SASP on the use, condition, and location of the Property and on other pertinent matters as may be required from time to time by the SASP or GSA.
6. During the periods of restriction prescribed in (2) and (3) above, the Donee shall not sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of the Property, or remove it permanently for use outside the State, without the prior written approval of GSA. The proceeds from any sale, trade, lease, loan, bailment, encumbrance, cannibalization, or other disposal of the Property during the periods of restriction set forth in (2) and (3), above, when such action is authorized by GSA, shall be for the benefit and account of the United States Government.
7. If at any time, from the date the Donee receives the Property through the periods of restriction

prescribed in (2) and (3), above, the Property is no longer suitable, usable, or further needed by the Donee for the purpose for which acquired, the Donee shall promptly notify the SASP and shall as directed by GSA through the SASP:

- (a) Release the Property to another donee or State agency;
- (b) Release the Property to a department or agency of the United States;
- (c) Release the Property to such other institution or agency as may be determined to have need therefor;
- (d) Sell the Property for the benefit and account of the United States of America with the proceeds remitted promptly from the Donee to GSA;
- (e) Render the Property completely unfit and useless for any purpose except for the recovery of its basic material content, the same to be performed in a manner satisfactory to GSA and the material content to be disposed of in accordance with instructions of GSA; or
- (f) Otherwise dispose of the Property as directed by GSA.

8. In the event, during the periods of restriction prescribed in (2) and (3), above, the Property is sold, traded, leased, loaned, bailed, encumbered, or otherwise disposed of without prior written approval of GSA, the Donee, at the option of GSA, shall be liable for the proceeds of the disposal, the fair market value, or the fair rental value of the Property at the time of the unauthorized transaction or use, as determined by GSA.

9. In the event of a breach by the Donee, or its successor in function, of any of the above conditions, whether caused by the legal inability of the Donee or its successor in function, interest in and to the Property shall, at the option of GSA, forthwith revert to and become the property of the United States Government, and the Donee, or its successors or assigns, shall forfeit all of its or their rights, title, and interest in and to the Property.

10. The SASP shall not grant waivers, amendments, releases, or terminate any of the terms and conditions enumerated in (1) through (9), above, concerning the use or disposal of the Property, or issue disposal instructions to the Donee for the Property without the prior written concurrence of GSA or its successor in function.

11. The Donee agrees to hold harmless and indemnify the Government for any and all costs, judgment, action, debt, liability costs and attorney's fees or any other request for monies of any type of relief arising from or incident to the transfer, donation, use processing, disposition, or any subsequent operation performed upon, exposure to or contact with any component, part, constituent or ingredient of the item, material or substance, whether intentional or accidental.

IN WITNESS WHEREOF, the Donor and Donee have duly executed this instrument this _____ day of _____, 19____.

United States of America Acting by
and through the _____
State Agency for Surplus Property

By _____
Title _____

DONEE:

By _____

Title _____

Institution or Organization

CITY of _____)

COUNTY of _____)

STATE of _____)

On this day of _____, 19____, before me appeared _____,
to me personally known, who, being by me duly sworn, says that she/he is the person who executed the
foregoing instrument and that such instrument was executed under duly delegated authority on behalf of
the _____ State Agency for Surplus Property, and acknowledged the foregoing instrument to
be the free act and deed of the State of _____.

Given under my hand and official seal the day and year above written.

Notary Public in and for the

CITY of _____

COUNTY of _____

STATE of _____

(SEAL)

My Commission Expires: _____

CITY of _____)

STATE of _____)

COUNTY of _____)

On this _____ day of _____, 19____, before me appeared _____, to me
personally known, who, being by me duly sworn, says that she/he is the person who executed the
foregoing instrument on behalf of said _____, and acknowledged to me that she/he was
duly authorized to execute the foregoing instrument and that she/he executed the same as a free act and
deed of said _____.

Given under my hand and official seal the day and year above written.

Notary Public in and for the

CITY of _____

COUNTY of _____

STATE of _____

(SEAL)

My Commission Expires: _____

c. Donation purpose. At the time donable surplus property is acquired by a donee, the donee's authorized representative must indicate on the State agency's distribution document the primary purpose for which the property is to be used. In the case of public agencies, such usage could be for public purposes such as conservation, economic development, education, parks and recreation, public health, public safety, museums, State Indians, programs for older individuals, or programs for providing assistance to homeless individuals. When the property is to be used for a combination of these purposes or for some other public purpose, the distribution document shall so indicate. With respect to nonprofit institutions or organizations, the purpose shall be shown as education, public health, museums, programs for older individuals, or programs for providing assistance to homeless individuals. These data are incorporated by the State agency in its GSA Form 3040, State Agency Monthly Donation Report of Surplus Personal Property (see fig. 2-9.5 [Link](#).)

d. Waiver of terms and conditions. A State agency may amend, modify, or grant releases for appropriate reasons from the terms, conditions, reservations, or restrictions it has imposed on the use of donated property, provided that it has set forth in the State plan of operation the standards by which actions shall be taken by the State agency. Amendments, corrections, or releases must not be granted by the State agency, however, with respect to:

(1) The requirement that usable property be returned to the State agency if the property has not been placed in use within 1 year of donation or ceases to be used within 1 year of being placed in use (State agencies may grant authority to donees to cannibalize or accomplish secondary utilization of property subject to this requirement when the State agency determines that such action will result in increased utilization of the property and that the proposed action meets the standards prescribed in the State plan of operation.); or

(2) Any special handling condition or use limitation imposed by GSA, except with the prior approval of the GSA regional office.

10. Property distributed to donees.

a. Conditional transfer of title. Conditional title to donated property passes to an eligible donee when the donee has executed the appropriate State agency distribution document and taken possession of the property.

b. Usage. During the period of restriction (conditional title), the donee must use the property for the purposes for which it was acquired and otherwise conform to such terms, conditions, reservations, and restrictions as are imposed in the State agency distribution documents.

c. Utilization surveys. The State agency shall make utilization surveys and reviews on items of donated property, as provided in the State plan of operation, to ensure that donated property is being used by the donee for the purpose(s) for which acquired.

d. Combat-type aircraft. Combat-type aircraft donated subject to the provisions of the conditional transfer document (see fig. 2-9.4) are restricted in perpetuity and are subject to the redistribution or disposal instructions of the GSA regional office. (See ch. 1-13.)

e. Disposal of unneeded property. Donated property in the possession of donees that has not been placed in use for the purposes for which it was donated within 1 year of donation, or which ceases to be used by the donee for those purposes within 1 year after being placed in use, provided the property is still usable as determined by the State agency, will be returned to the State agency's distribution center at the donee's expense. Arrangements between the State agency and the donee may be made for the retransfer or other disposal of the property from the donee's facility.

f. Reimbursement to donees.

(1) When a donee no longer has a need or use for donated property which is subject to any special handling condition or use limitations imposed by GSA, and no breach of the conditions or limitations has occurred, the donee may be reimbursed on a prorated basis for the following expenses when the property is transferred to a Federal agency or sold for the benefit and account of the United States of America:

- (a) Service charge paid to the State agency;
- (b) Transportation charges paid by the donee in initially acquiring the property; and
- (c) Initial costs of repairs required to make the item usable.

(2) The State agency shall recommend for approval of the GSA regional office the amount of reimbursement to which the donee is entitled, taking into consideration the benefit the donee has received from the use of the property and making appropriate deductions therefor. Reimbursement is not authorized unless property has been put into eligible use by the donee within 12 months of its receipt. In the case of sale, reimbursement to a donee for any item of property shall not exceed the proceeds of the sale of the item. Reimbursement for property to be transferred to a Federal agency shall be made a condition of the transfer by GSA.

(3) The prorated amount of reimbursement to be allowed a donee shall be computed according to the applicable period of restriction on the property. On property under a 12-month period of restriction, compute $1/12$ of the total costs under (1)(a), (b), and (c), above, for each month the property was utilized for eligible purposes; the amount arrived at through this computation should be subtracted from the total of (1)(a), (b), and (c); the remainder is the reimbursement to be allowed. On property under an 18-month period of restriction, use $1/18$ of the total costs for each month; $1/24$ on property under a 2-year period of restriction; $1/36$ for property with 3 years of restriction; $1/48$ for 4 years; and $1/60$ on property under a 5-year period of restriction.

g. Trade-in. Donated personal property may be traded in under the following conditions:

(1) A donee desiring to trade in an item of donated property prior to the expiration of the period of Federal restrictions must request in writing authorization for the trade-in from the State agency director. The State agency must obtain the prior written approval of the GSA regional office for any trade-ins of property under Federal restrictions or special handling conditions or use limitations imposed by GSA. Items in a non compliance status shall not be authorized for trade-in.

(2) Donated property must have been put into use by the donee and used for the purpose for which it was acquired for a minimum of 6 months before a request for trade-in may be considered for approval. Also, it must be demonstrated that the trade-in will result in increased utilization value to the donee's program and be in the best interest of the public. Surplus property shall not be transferred to State agencies to be donated for use for trade-in purposes by donees.

(3) Items authorized for trade-in will be only on a one-for-one basis; i.e., one donated item may be authorized for trade-in for one like item having similar potential use. Further, the item being acquired must have a market value equal to or greater than the market value of the item being traded in.

(4) As a condition of approval of the trade-in, the item being acquired shall be made subject to the remaining period of restriction imposed on the item being traded in. The donee must submit a signed certification agreeing to the imposition, on the item being acquired, of the same terms, conditions and restrictions that were imposed on the item being traded, for the remaining time of the period of restrictions. This certification must be included with the donee's letter requesting approval to trade in an item, and the item being acquired through the trade must be specifically identified by serial number,

etc. If specific identification by serial number, etc., is not known at the time of the initial request, a copy of the document by which the new item is acquired will be obtained by the State agency and made a part of the donation case file.

h. Utilization of donated property for student training. The following guidelines are provided to prescribe the circumstances under which eligible schools may allow students to use donated property in class-assigned projects and retain the finished item or product resulting from the project as their own personal property.

(1) Raw material, such as scrap lumber, metal, steel or other types of metal tubing, cloth (or parachutes, uniforms or other types of clothing for secondary use of the material), etc., may be donated to schools for educational purposes; i.e., for use in class-assigned student projects in vocational education, science, home economics, horticulture, carpentry, woodworking, etc. Any insignificant item or product resulting from the student's project, such as an apron, skirt, footstool, flower pot, plant stand, hog trough, end table, or even a small desk, or small items made in science class projects, may be taken home by the students if it is the policy of the school for the end item of a student's project to become the personal property of the student. Donated property should not be used for student projects in which items are produced for other than the school or student's own use. Surplus materials shall not be donated for use by the donee to make items or products for sale.

(2) Damaged or inoperable nonconsumable donated surplus property, such as desks, automobiles, furniture, refrigerators, typewriters, machine tools, etc., shall not become the personal property of students who refinish or repair the items, nor shall the school dispose of the items during the period of restrictions. Property shall not be acquired to be repaired and then put into a storage room or hold area under the false assumption that the restrictions will run out while the property is not in actual use and the school can then dispose of the property by sale. The property must be needed and used during the entire period of restrictions for the educational purpose for which it was acquired by the school.

(3) How frequently a student may make an item from donated raw materials depends on how frequently such class or student projects are assigned. Donated raw materials may be used as frequently and in as many different student or class projects as are assigned so long as the assignment is a part of the learning experience in a course of instruction within the school's prescribed curriculum. The students may be allowed to take home the finished products or items from a number of projects if it is the school's policy to do so as described in (1), above.

(4) Large quantities of raw materials or consumable items should not, as a general rule, be given to students for projects for building large or valuable finished products to keep for their own use even though the project may be a part of the student's learning experience. The end items of such projects should be needed for utilization by the institution in its eligible educational program; i.e., the end products from the projects will become the restricted property of the eligible institution until the expiration of the period of Federal and State restrictions on the donated materials from which the items were constructed.

(5) Discretion must be exercised by regional offices and State agencies when approving requests for property to eligible educational institutions, including eligible sheltered workshop training programs that are operating large-scale training programs or courses in auto mechanics and bodywork, typewriter repair, refinishing, upholstering, etc., that may result in more items being repaired or refinished in the training program, through the cannibalization, secondary utilization or rehabilitation of donated property, than can be effectively utilized in eligible educational programs of the acquiring donees.

i. Insurance proceeds. Any insurance proceeds collected by a State agency from a donee, which involves damaged or destroyed property that is still under Federal restrictions, must be remitted promptly by the State agency to GSA for deposit in the Treasury of the United States.

11. Withdrawn by CHGE 4.

12. Property in the possession of a State agency.

a. Status. With respect to surplus personal property shipped to or picked up by a State agency for distribution, through donation, to eligible donees within the State, the right to possession only is granted to the State agency. Title to the property remains in the United States of America, although the State shall have taken possession thereof. The State agency may retain and use surplus personal property in its possession for the purpose of performing its function pursuant to the provisions of par. 6.

b. Protection. During the time title remains in the United States of America, the State agency is responsible as a bailee for mutual benefit for surplus personal property transferred to it by GSA from the time it is released to the State or to the transportation agent designated by the State. In the event of any loss of or damage to any or all of the property, the State agency shall promptly notify the GSA regional office and file a claim and/or institute and prosecute to conclusion the proceedings that are necessary to recover, for the account of the United States of America, the fair value of any property lost or damaged, less the cost of care and handling incurred by the State agency in acquiring the property. The State agency shall maintain adequate provision for protecting property in its custody including protection against the hazards of fire, theft, vandalism, and weather. The State agency shall promptly notify appropriate law officials, including the FBI, and the GSA regional office of any damage to or loss of property in its custody due to theft, vandalism, arson, or other unusual circumstances, and shall provide full information concerning the circumstances. The GSA regional office shall be advised by the State agency of any other types of damage to or loss of property which is in the possession of the State agency.

c. Insurance. It is GSA's policy not to require a State agency to carry insurance as a condition for acquiring Federal surplus personal property for distribution to eligible recipients. However, where a State agency carries insurance against damages to or loss of property due to fire or other hazards and where loss of or damage to Federal surplus personal property occurs, GSA, on behalf of the United States of America, shall be entitled to reimbursement from the State agency of the fair value of the damaged or destroyed Federal property payable from the insurance proceeds, less the State agency's actual cost of acquiring and rehabilitating the property prior to its damage or destruction.

d. Distribution. Surplus personal property in the custody or possession of a State agency shall be distributed promptly to eligible donees within the State.

e. Direct shipment. In order to reduce inventory, warehousing, and transportation costs and ensure prompt utilization of donable surplus property, the State agency shall, insofar as practicable, if requested by the designated donee, arrange or provide for shipment of the property from the Federal holding agency direct to the recipient.

f. Transfer between States. When a State agency determines that surplus personal property in its possession cannot be utilized by eligible recipients within the State, it shall offer the property for transfer to surplus property agencies in other States. GSA encourages prompt transfer of property between the States. A State agency may arrange for visits to its distribution facilities by representatives of other State surplus property agencies to inspect and select unneeded property available for transfer. GSA regional offices, upon request, shall assist in making known to other States unneeded property in one State which is available for transfer and in arranging and coordinating visits between State agencies. Transfers of property between States shall be accomplished by processing SF 123, submitted by the requesting State, through the GSA regional office for the releasing State. Transfers between State agencies are subject to the allocation adjustments specified in subpar. 5j. Transfers of unneeded surplus property between State agencies are subject to the disapproval of the GSA regional office within 30 calendar days after notice to the GSA regional office.

g. Reporting unneeded property. A State agency at any time may report unneeded usable property in its possession which is not required for transfer to another State to the GSA regional office for

redistribution or disposal. In reporting property to GSA, the State agency must:

(1) Provide the best possible description of each line item of property, its current condition code, quantity, unit and total acquisition cost, State agency document number, demilitarization code, and any special handling conditions.

(2) Identify the date of receipt by the State agency of each line item of property listed;

(3) Indicate those items which the State agency believes may be of interest to Federal agencies; and

(4) Provide certification of reimbursement claimed for each line item.

h. Reutilization. Based on the information provided by the State agency, the GSA regional office may offer available property for recovery by Federal agencies. Transfer orders submitted by Federal agencies for property which have been approved by the GSA regional office shall be forwarded to the releasing State agency for appropriate action.

i. Sale of nondonated or undistributed Federal property.

(1) GSA sales. Sale of undistributed property in the possession of a State agency must be initiated by the GSA regional office after receiving a report from the State agency. The GSA regional office must inform the State agency of the items to be sold and work closely with the agency in preparing and completing the sale promptly. Property available for sale may be turned in by a State agency to a GSA property or sales center with the approval of the GSA regional office that operates the center.

(2) State agency sales. State agencies that enter into a cooperative agreement with GSA to sell undistributed Federal property in their possession (see fig. 2-12.1 [Link](#)) may request approval to conduct a sale when reporting the property to GSA. While cooperative agreements between State agencies and GSA are entered into for extended periods, a State agency must notify its supporting regional office each time it proposes to conduct a sale. Requests to sell property under the agreement should include the proposed sale date, location of sale, method of sale, and proposed advertising to be used. The regional sales office will decide whether or not the State agency should be given authority to conduct the sale. If a request is approved, the regional sales office will provide the necessary forms and instructions for the State agency to use in conducting the sale.

j. Reimbursement. Reimbursement for costs of care and handling to a State agency with respect to the transfer or disposal of donable property in its possession shall be authorized by the GSA regional office as follows:

(1) When a State agency acquires donable property by transfer from another State agency, reimbursement of costs incurred by the releasing State agency in acquiring the property, including packing, handling, and transportation costs, shall be established by mutual agreement between the two State agencies.

(2) When a Federal activity requests property from a State agency, costs incurred by the State agency in acquiring the property, including packing, handling, and transportation costs, shall be reimbursable at the time the property is transferred to the Federal activity. The SF 122 used in effecting the transfer shall show the amount of reimbursement claimed by the releasing State agency.

(3) When donable property in the possession of a State agency is required for disaster assistance, reimbursement to the State agency shall be governed by the provisions of ch. 7.

(4) When disposing of undistributed property in the possession of a State agency by public sale,

the GSA regional office may authorize reimbursement to the State agency for expenses related to care and handling incurred in acquiring the property. Certification by the State agency of costs incurred is required and must be supported by documentation if requested by the GSA regional office. Reimbursement must not exceed the proceeds from the sale of the property. No reimbursement may be made to the State agency for actions following the receipt of property by the State from any source, including unloading, moving, repairing, preserving, or storing. No reimbursement shall be authorized by the GSA regional office for property acquired from any source that has been in the possession of the State agency for a period of 2 years from the date it was received by the State agency until the date it was reported to GSA for disposal. Costs of transporting property to a location outside a State agency distribution facility are not reimbursable unless transportation was specifically requested by GSA. The sale of property at a location outside the State distribution facility, however, does not preclude authorized reimbursement to the State agency. Reimbursement is limited to:

(a) Direct costs incurred by the Federal holding agency and billed to and paid by the State agency, including but not limited to packing, preparation for shipment, and loading; and

(b) Transportation costs paid or otherwise incurred by the State agency and not reimbursed by a donee to the State agency for initially moving the property from the Federal holding agency to the State agency distribution facility or other point of receipt designated by the State agency.

k. Reimbursement methods. For reimbursement authorized under j(4), above, State agencies may select one of the two following methods to determine the amount of proceeds they are to be reimbursed for their transportation expenses. Whichever method is selected must be used for the entire fiscal year; switching or mixing is not permitted.

(1) Actual expenses. State agencies that request reimbursement for their actual transportation expenses must document and certify the amount requested for these expenses.

(2) Reimbursement rate. State agencies that elect not to request reimbursement for their actual transportation expenses may request reimbursement using a fiscal year reimbursement rate. The rate must be derived from the ratio of the State agency's total transportation expenses for the fiscal year to the total acquisition cost of property received (exclusive of direct pickups by donees) during the same fiscal year.

(a) State agency transportation expenses must be calculated and reported to GSA using the format in pt. A of fig. 2-12.2 [Link](#). In pt. B, the State agency enters the total acquisition cost of surplus personal property received, exclusive of direct pickups by donees. The State agency must enter in pt. C, the reimbursement rate for transportation expenses. This rate will be multiplied by the acquisition cost of the eligible property sold in each sale to determine the amount of reimbursement the State agency is due.

(b) The reimbursement rate for State agency transportation expenses for a particular fiscal year can only be applied against the acquisition cost of property received by the State agency during the same fiscal year. When GSA sells undistributed property for a State agency, one or more reimbursement rates will be used, depending on the fiscal year in which the sale items were received by the State agency.

(c) For undistributed property received by a State agency and sold by GSA during the same fiscal year, the previous fiscal year reimbursement rate is multiplied by the acquisition cost of the property that is sold to determine the amount to be reimbursed for transportation expenses.

l. Abandonment or destruction. When a State agency has nondonable Federal surplus personal property that qualifies for abandonment or destruction as provided in (1), below, the State agency may proceed with abandonment or destruction, using the following procedures. Property abandoned or destroyed must be properly documented and meet all audit trail requirements.

(1) Authority to abandon or destroy. The first requirement for a State agency in preparing to abandon or destroy property is to determine the proper authority. Abandonment or destruction is authorized if:

- (a) The property has no commercial value either as an item or as scrap;
- (b) The estimated cost of care, handling, and preparing the property for sale would be greater than the expected sales proceeds (estimated fair market value);
- (c) A law, regulation, or directive requires abandonment or destruction; or
- (d) Written instructions by a duly authorized health, safety or security official direct abandonment or destruction action.

(2) Preparation of written finding. After determining under which authority the property can be abandoned or destroyed, the State agency must prepare a written finding justifying the proposed action. The written finding must include:

- (a) A detailed description of the property, its condition, and total acquisition cost;
- (b) The authority for the abandonment or destruction, along with any pertinent supporting documentation;
- (c) A statement describing the proposed method of destruction (i.e., burning, burying, etc.) or the abandonment location;
- (d) A statement that the proposed abandonment or destruction will not be detrimental or dangerous to public health or safety and will not infringe on the rights of other persons;
- (e) The signature of the State agency director requesting approval for the abandonment or destruction; and
- (f) The title, telephone number, and signature of the State agency reviewing authority if a line item of the property to be disposed of at any one location at any one time has a known or estimated acquisition cost of more than \$1,000.

(3) Notification to GSA. The abandonment or destruction finding must be sent to the appropriate GSA regional office for approval. If immediate abandonment or destruction is necessary, verbal notice and approval is authorized. The verbal authorization must be followed by written confirmation to comply with property documentation requirements. Any disapproval of abandonment or destruction by a regional office will include alternate disposition instructions. If the regional office does not reply to the State agency within 30 calendar days of notification, the property can be abandoned or destroyed.

(4) Public notice of proposed abandonment or destruction. Except as provided in (5), below, the State agency, after obtaining GSA's approval, must provide public notice of the abandonment or destruction. Public notice must be given in the area where the property is located for not less than 7 calendar days. Public notice can be posting announcements in public places, such as on bulletin boards, or publishing the announcement in organizational newsletters or in local newspapers. The essential elements of a public notice are illustrated in fig. 2-12.3 [Link](#) and include the following:

- (a) A general description of the property;
- (b) The date and location of the abandonment or destruction;

(c) An offer to donate the property to public bodies; and

(d) An offer to sell the property. (Offers to buy the property must be referred to the GSA regional office.)

(5) Abandonment or destruction without public notice. Property may be abandoned or destroyed without public notice whenever:

(a) A written finding is made that immediate abandonment or destruction is necessary or desirable in the best public interest because of the nature of the property or because of the expense or difficulty of its care and handling. The written justification and approval by the State agency reviewing authority should indicate that:

(i) The value of the property is so little or the cost of its care and handling is so great that its retention for sale is clearly not economical; or

(ii) Immediate abandonment or destruction is required because of health, safety, or security reasons.

(b) A single line item of property to be abandoned or destroyed at any one location at any one time has an acquisition cost of less than \$500.

(c) The property to be abandoned or destroyed is unserviceable expendable property, such as obsolete unclassified navigation charts, electric light bulbs, radio tubes, fuses, resistors, capacitors, air filters, dust cloths, etc., and the accumulation of the property for disposal or rehabilitation is not economical or in the best interest of the Government.

(6) Certification of abandonment or destruction. Following the abandonment or destruction, a certificate must be prepared by the State agency to document the action and satisfy audit requirements. The certificate must be made part of the official State agency property account records and should read as follows:

"I certify that (identify items) were (abandoned/ destroyed) in the manner authorized by the Federal Property Management Regulations and other applicable regulations."

State agency official Date

"I have witnessed the abandonment/destruction of the described property in the manner and on the date stated herein."

Witness Date

The certificate must be signed by an authorized official of the State agency and a State agency employee who witnessed the abandonment or destruction. For the destruction of surplus drugs, biologicals and reagents, the certificate must be signed by an authorized State agency official and two State agency employees who witnessed the destruction.

13. State agency reviews.

a. Frequency of reviews. State reviews will be conducted every 2 or 4 fiscal years based on answers to the questions below. The questions will be reexamined 2 years after the last review has been conducted and the State agency has documented appropriate corrective actions. Regardless of this schedule, reviews can be conducted more frequently if deemed necessary.

Analyze the State agency's current performance and financial balance sheets, prior reviews and audits, and open compliance cases, and answer the following questions. If your response is YES to any one question, apply a 2-year review cycle; otherwise, use a 4-year cycle.

- Does the State agency appear to be having problems with the donee compliance with the donation terms and conditions?
- Does the State agency appear to be having inventory control and accountability problems?
- Does the State agency appear to be having problems with the donee eligibility files?
- Does the State agency appear to be having financial problems or situations that might have a detrimental effect on the donation program?

b. Scheduling reviews. The regional office, in concert with the State agencies, shall establish a projected review schedule for the agencies in the region's area. This review schedule shall be developed for each fiscal year, and a copy provided to the Central Office by September 1st of the year preceding the fiscal year for which the schedule is prepared.

c. Purpose of reviews. The purpose of the review is to evaluate the operation and effectiveness of the State agency's program for the donation of surplus personal property. The review will also assess the State agency's conformance with the approved State plan of operation and the requirements of FPMR 101-44, 101-6.2, and 101-8.

d. Conduct of the review.

(1) Notification to the State agency. Approximately 2 weeks before a review, the regional personal property staff shall advise the manager of the State agency that the scheduled review will take place.

(2) Preparation for the review.

(a) Before the visit, the reviewing official shall review the State agency plan of operation and examine prior reviews, audits, and open compliance cases.

(b) Before visiting the State agency, the reviewer should obtain a copy of the agency's financial balance sheets for the last 2 years or since the time of the previous review. If financial statements are not available, explain fully in the review report.

(3) Entrance meeting. The reviewer shall meet with the State agency staff to explain the purpose of the visit.

(4) Arrangement for payment receipts inspection. When the reviewer arrives at the State agency, he or she shall immediately arrange for auditing the payments received from donees during the period of the review. This is done to ensure that State agencies are accepting service charges only in the form of warrants, checks, or other official instruments drawn or issued by an authorized official of an eligible institution. Personal checks, personal cashier checks, or personal money orders are not acceptable for payment of service charges. Where eligible donees have their operational expenses paid by the parent institution or organization, checks issued by such parent institutions in payment of service charges will be acceptable.

(5) Checklist for review. The following checklist is recommended for use by regional personnel when conducting a State agency review. Figure 2-13 provides a consolidated format of the following

review areas and should be completed and included in the review report as a preface to review comments, requirements (those actions needed to bring the State agency into compliance with the FPMR or the State plan of operation), and recommendations (suggested actions for improving State agency operations). The reviewer should feel free to extend the scope of the review beyond the items on the checklist and is responsible for reviewing any special or unusual matters pertaining to State agency operations.

(a) State plan of operation. Determine if the State agency operates in conformance with requirements of the FPMR in the areas cited below and in accordance with its approved State plan of operation.

(i) Organization and operational capability. The agency's adherence to the table of organization in its plan of operation should be reviewed. Ascertain if the agency has adequate personnel to effect accountability, warehousing, proper maintenance, and distribution of property. Employee training should also be evaluated to determine if employees have adequate training to perform the duties assigned to them and, if not, what provisions have been made to provide such training. This applies especially to those involved in making eligibility determinations.

(ii) Property and inventory control. Accurate records that establish the accountability of all donable property must be maintained. Such records should be sufficient, in the event of theft, to determine and describe the missing property. Periodic physical inventories must be completed and records should provide an "audit trail" for individual items of property from receipt to distribution. Review State ledgers and compare property receipts with property distributions. Inventory records are to be examined for frequency, accuracy, and methods of reconciliation. Special attention should be given to records relating to items with an acquisition cost of \$5,000 or more, property subject to special terms and conditions, items with perpetual restrictions, and items sensitive to theft. Review procedures for reporting overages and shortages and compare reports with regional records.

(iii) Fiscal accounting system. Ensure that the accounting system complies with the State's plan of operation (normally a double entry accounting system is required) and all supporting activities, billings, disbursements, etc., are conducted in an acceptable manner.

(iv) Financing and service charges. Determine if service charges are being assessed in accordance with the State plan of operation and used only for the promotion and extension of the donation program.

(v) Nonutilized donable property. Review methods used to dispose of undistributed property. Determine if current procedures for identifying unneeded usable property and offering it for transfer to other States or reporting it back to GSA are effective. Determine what steps are being taken to minimize the acquisition of nondonable property.

(vi) Fair and equitable distribution. Evaluate the effectiveness of the State agency's efforts to ensure fair and equitable distribution of property based on the relative needs and resources of its donees. Determine if desirable items of property are fairly distributed among all categories of donees. Examine donee records to see if they indicate a preponderance of distribution to particular donees and regions within the State.

(vii) Eligibility. Eligibility files should be maintained in a systematic manner and contain all necessary documentation (see par. 8). Files are required to be updated periodically and annotated to indicate when they were last reviewed. Close attention should be directed to files maintained for nonprofit and tax-exempt organizations and institutions. It is suggested that a minimum of 50 donee files be examined during the review.

(viii) Compliance and utilization reviews. Review program files and records to determine if utilization surveys are being made to determine if donees are properly using and complying

with the terms and conditions on donated property (see A and B, below, for related areas). Check the frequency of these surveys and determine the number of donees visited annually. Using the checklist provided by Central Office, examine and report on the results of aircraft and vessel utilization surveys. Determine if there is a system in effect for monitoring compliance on items other than combat-type aircraft which have perpetual restrictions (e.g., gamma goat trucks). Review methods used to remind donees of the terms and conditions of donation.

(A) Return of donated property. Examine procedures for handling the return of donated usable property that has not been put into use within 1 year of receipt or used for 1 year thereafter.

(B) Terms and conditions. Review actions taken to resolve open noncompliance cases or enforce compliance with the terms and conditions placed on donated property. Ascertain whether any amendments, modifications, or releases from those conditions conform to State plan requirements and the provisions in FPMR 101-44.208(h).

(ix) Consultation with advisory bodies and public and private groups. Review methods used by the State to seek out public input on its program. Determine if a State agency advisory board has been established and, if so, when the last meeting was held.

(x) Audits. Assess the extent of internal and other audit coverage devoted to the State agency. Determine if internal audits are being performed as prescribed. Ascertain when the last external audit was made or the date the next is scheduled. Determine if corrective actions have been undertaken to resolve any deficiencies or requirements outstanding from prior audits and reviews. Items for discussion should be entered under part I of the review checklist. For purposes of OMB Circular A-128, review the subrecipient tracking system to verify that State and local government donees are identified and the dollar value of property donated to each subrecipient is accurately recorded (The Circular requires that States providing \$25,000 or more to subrecipients [donees] determine if those subrecipients have met audit requirements of the Circular).

(xi) Cooperative agreements. Check donable property that has been withdrawn for State agency use for compliance with FPMR 101-44.206(c). A complete listing of such property should be on file with evidence that it has been approved by the GSA regional office. The reviewing official should determine if all property included on the listing is of a type and quantity that is reasonably needed and useful to the State agency. Also, determine if the agency is complying with drug-free workplace requirements and the anti-lobbying certification and disclosure requirements in 41 CFR 105-68 and 69, respectively. In addition, examine how sales proceeds are handled if or when the State agency sells undistributed Federal property under a cooperative agreement.

(xii) Records management. Regional memoranda, the State plan of operation, cooperative agreements, State agency review and audit reports, eligibility records, the control register for screeners cards, and other program files should be current and filed in an orderly manner. Examine program manuals and handbooks to make sure that they are complete, current and accessible to office and supervisory staff. Check State plan files to ascertain if the plan has been updated to conform with changes in GSA's regulations that affect State agency operations (e.g., regulations which changed the acquisition cost criterion for State agencies to impose additional restrictions on donated property, limited fees that could be imposed on nonprofit providers of assistance to homeless individuals, provided for State agency compliance with the external audit requirements of OMB Circular A-128, etc.). Determine if official records are kept in accordance with files retention criteria in FPMR 101-44.202(c)(16). Also examine the efficiency of records retrieval and evaluate its effectiveness.

(xiii) Nondiscrimination compliance. Ascertain the following and submit information to the GSA Office of Equal Employment Opportunity for use in determining whether a more extensive civil rights review is warranted, or other followup is necessary: Are civil rights posters displayed prominently and in reasonable numbers and places? Has the State agency received any discrimination

complaints? Are State agencies in Regions 2, 3, 4, 5, 6, 7, and the National Capital Region placing emphasis on making historically Black colleges and universities aware of the donation program? Is the State agency's submission of Methods of Administration (MOA) reports current?

(b) Management practices. Determine if the State agency conforms to good management practices in the following areas.

(i) Receiving and warehousing. A physical inspection of the State agency's distribution center facilities should be made. If the State agency operates satellite distribution facilities, at least one of these facilities should also be visited. Particular attention should be directed to the following areas of activity. Comments on any deficiencies noted in these areas should be entered in the review report.

(A) Receiving, storage, and display of property. Determine if property is displayed in such a way as to permit inspection by eligible donees. Ascertain if the warehouse is clean, orderly, and efficiently run. Check if there are adequate provisions for protecting property against the hazards of fire, theft, vandalism and weather. Ensure that suitable provisions have been made for hazardous and unusually valuable materials. Establish if Federal property is segregated from State property.

(B) Safety practices. Ensure that there is concern for employee and donee safety.

(ii) Distribution methods. Examine the following areas of the State agency's distribution system:

(A) Shipping practices, including efforts made to increase the number of direct pickups by donees and cooperative arrangements with other State agencies to pick up property;

(B) Methodology of donee payment of service charges;

(C) Ratio of donations to year-end inventory; e.g., examine whether inventories are too high when compared to annual donations; and

(D) Inventory turnover rate; e.g., check the State's performance in making prompt distribution of property to eligible donees.

(iii) Donee relationships. Survey visits should be made by the reviewer at selected donee institutions to evaluate the effectiveness of the State agency's program promotion, and to ascertain whether donated property is being used in accordance with the terms and conditions of the donation document. The number of such visits will be contingent on available time and apparent need. State agency report forms should be used to document findings during these visits and may be supplemented as required. State agency correspondence should also be reviewed to see how donee complaints are handled.

(iv) Holding agency relationships. Check with local area utilization officers and visit at least two major generating activities to determine the effectiveness of State agency activities. Brief statements of findings relative to screening effectiveness, timeliness of property pickups, and general attitudes should be included in the narrative portion of the review report.

(v) Screening procedures. Make sure that screener's files are complete, including outline of qualifications and locations where authorized to screen. Also, establish if screening schedules are maintained. Include a statement in the review report indicating the number of donee screener's cards issued.

(vi) Program promotion. Evaluate the following areas of the State agency's efforts to promote its program:

(A) Procedure used to seek out all potentially eligible donees within a State to encourage and expand the program as encompassed by Public Law 94-519.

(B) Efforts to increase the number of donee screeners; and

(C) Circulation of catalogs and newsletters to donees and prospective donees on a regular basis.

(vii) Fiscal management. This review requirement pertains to the financial solvency of the State agency. Financial documents should be analyzed to determine if service charges are adequate to recover operating costs or if the State has to rely on State funds, reserves or other subsidies to offset its losses. Check whether service charges are periodically reviewed for possible change. Look at the ratio of direct to indirect operating expenses, if that information is available, to determine if indirect costs being passed on to donees are reasonable in relation to services being provided. Also, determine if the State is incurring unnecessary costs by keeping too much property in inventory.

(6) Special "Under" State considerations. When a State agency is listed as an "Under" State (a State at less than 86 percent of its entitlement) on the most recent over/under allocation report, specific comments directed toward increased agency effectiveness in the following areas should be given:

(a) Screening activities, including:

(i) Extent of screening at "in" State locations;

(ii) Extent of screening at "out" State locations;

(iii) Attendance at onsite screenings;

(iv) Extent of donee screening; and

(v) Property transfers from other State agencies.

(b) Program promotional activities.

(c) Special problems and conditions.

(d) Use of property rehabilitation programs.

(7) Exit meeting. When the review has been completed, the reviewer should discuss the findings with the director of the agency. Requirements for bringing the agency into conformance with its plan of operation and the FPMR and recommendations for improvement of the agency's operations should be discussed. To the extent possible, plans should be made at this time for correction of violations of regulations and the plan of operation. At this time also, the director should be asked to comment on the amount of contact the agency has with regional personal property staff and area utilization officers, and if any improvements could be made in this area of activity. These comments should be included as a statement in the review report.

e. The review report.

(1) Content. The final report on the review of operations should be in letter form following the outline of the summary review checklist in fig. 2-13 [Link](#). The report should cover the reviewer's findings and outline both requirements and recommendations for improved State agency performance. Outstanding achievements and procedures should be documented for possible adoption by other State agencies. Any deficiencies that require extensive explanation and correction shall be stated in the body of the report with the indication that more complete information will be forwarded by attachment or under separate cover. If regional or Central Office assistance is required, indicate it on the report. Supporting data, other than that shown in fig. 2-13, may be included with the report as exhibits. The report should be both critical and fair, avoiding the use of general laudatory phrases to describe State agency operations. It should also include an invitation for the State agency's comments within a reasonable and realistic time.

(2) Distribution. Prepare five copies (four if allocating region) of the review report and distribute as follows:

- (a) Original to the State agency director concerned;
- (b) Copy to the State agency director's immediate supervisor;
- (c) Copy to Central Office;
- (d) Copy to the allocating regional office; and
- (e) Copy for the regional office (if non-allocating region).

(3) Time of submission. Distribution of the completed review report should be made within 45 calendar days after the completion of the visit to the State agency.

f. Unscheduled reviews. The regional office may conduct an unscheduled State agency review if problems exist in a State agency, such as financial instability, under entitlement, decline in regular scheduled screening at holding activities, or continuing complaints by donees that donable property is not being distributed equitably. In such cases, the State agency director should be given prior notice of the intent to conduct a review and the reason why the review is to be made. The Central Office and the regional allocating office should be advised of the dates the review is to be conducted and the reasons for the review. The requirements in e, above, apply for reporting the results of the review.

g. Review requirements followup. Actions necessary to ensure that requirements included in the review report are satisfied are the responsibility of the regional office. All requirements should be reviewed by regional personnel within 35 calendar days after the submission of the report to determine if required actions have been undertaken by the State. (While it is appropriate for the report to cite all instances of nonconformance with the State plan and recommend corrective action, enforcement of those actions by opening a compliance case should be limited to instances of nonconformance with those specific State plan provisions which are required by law or regulation.) Central Office should be kept advised of the progress made in correcting exceptions or violations noted in the report and notified when corrective actions are completed. If it is found that a State agency cannot comply with the review requirements, Central Office should be consulted to determine what alternative actions are required.

h. Informal State agency visits.

(1) Regional office personnel, including utilization and donation specialists and AUO's, should arrange to visit State agencies when in official travel status in the vicinity of the agency.

(2) The purpose of such visits is to discuss general areas of mutual interest or concern and to

1. State Agency _____
2. Period covered by this report.
From _____ to _____
3. Submitted to the Chief Executive Officer immediately in charge of the State agency.
Name _____
Title _____
4. Submitted to the immediate supervisor of the Executive Officer named above.
Name _____
Title _____
5. Persons interviewed.

6. Review commenced _____ Completed _____
7. Date exit meeting was conducted _____
8. Review conducted by _____
Title _____
9. Report approved by _____ Date _____
(Branch Chief or equivalent)

REVIEW CHECKLIST

I. Requirements outstanding from prior reviews, audits, or compliance cases. (To be discussed with the State agency director at the beginning of the review.)

II. Program requirements.

A. Does the State agency generally operate in conformance with the requirements as set forth in the State plan of operation and the FPMR in the areas cited below? (Any "No" answer should be fully explained in the final report. "Yes" answers in many cases may require additional comment.)

Yes No

- | | | |
|----------------------------------------------|------|------|
| 1. Organization and operational capabilities | ____ | ____ |
| 2. Property and inventory control | ____ | ____ |
| 3. Fiscal accounting system | ____ | ____ |
| 4. Financing and service charges | ____ | ____ |
| 5. Nonutilized donable property | ____ | ____ |

- | | | |
|---------------------------------------|-------|-------|
| 6. Fair and equitable distribution | _____ | _____ |
| 7. Eligibility | _____ | _____ |
| 8. Compliance and utilization reviews | _____ | _____ |
| (a) Return of donated property | _____ | _____ |
| (b) Terms and conditions | _____ | _____ |
| 9. Consultation with advisory bodies | _____ | _____ |
| 10. Audits | _____ | _____ |
| 11. Cooperative agreements | _____ | _____ |
| 12. Records management | _____ | _____ |
| 13. Nondiscrimination compliance | _____ | _____ |

B. Does the State agency conform to good management practices in the following areas?

- | | Yes | No |
|---------------------------------|-------|-------|
| 1. Receiving and warehousing | _____ | _____ |
| 2. Distribution methods | _____ | _____ |
| 3. Donee relationships | _____ | _____ |
| 4. Holding agency relationships | _____ | _____ |
| 5. Screening procedures | _____ | _____ |
| 6. Program promotion | _____ | _____ |
| 7. Fiscal management | _____ | _____ |

EXHIBITS

I. Profit and loss statement for the State agency for the last 2 years:

Category	FY_____	FY_____
Operating Expenses	_____	_____
Income from service charges	_____	_____
Profit (+) or loss (-) on operations	_____	_____
Income from other sources	_____	_____

(reserves, State funding,
or subsidies)

Total profit (+) or loss (-) _____

II. Surplus property received and disposed of during the last 2 years:

Inventory	FY _____	FY _____
Inventory at beginning of FY	_____	_____
Property received during FY (+)	_____	_____
Property donated during FY (-)	_____	_____
Property sold during FY (-)	_____	_____
Other disposal during FY (-)	_____	_____
Inventory at end of FY	_____	_____

NOTE.-- Detailed financial statements may be provided in lieu of Part I of this format if the financial statements provide profit/loss information for the State agency.

(3) When informal visits are undertaken, advance notice to the State agency should be made by telephone, if possible. Upon arrival, the State agency director should be immediately contacted.

(4) The Central Office should be advised of any major items of interest resulting from such visits.

14. State agency audits.

a. Internal audit. The State plan of operation provides for a periodic internal audit of the operations and financial affairs of the State agency. The internal audit is made for the benefit of the State agent, and the agent's supervisors, to review the current status of the agency's operations and financial position. The State agency is not required to furnish GSA with a copy of the internal audit.

b. External audit. External audits of State agency operations are required to be made in accordance with OMB Circular A-128, "Audits of State and Local Governments." State agencies must provide the appropriate GSA regional office with two copies of any portion of an audit report made pursuant to the circular that pertains to the Federal surplus personal property donation program. An outline of the corrective actions which the State agency plans on taking to comply with any exceptions or violations indicated by the audit, and the scheduled completion dates for these actions, must accompany the report. The audit guide in fig. 2-14 [Link](#) is suggested for use by the auditing activity in determining whether a State agency is in compliance with laws and regulations governing the donation program.

(1) Review of audit reports. Regional office officials may wish to consult with the GSA field audit

staff when reviewing audit reports. In reviewing the reports, the regional office should note particularly any exceptions or violations of the provisions of the plan of operation or the requirements of FPMR 101-44 indicated by the auditor. If corrective actions are required, the regional office should follow up periodically with the State agency, including a personal visit to the State agency if necessary, to ensure that all audit exceptions and violations have been corrected in a timely manner.

(2) Coordination with Central Office. The regional office must furnish the Central Office with a copy of the pertinent portion of each report and all related correspondence. When corrective actions have been accomplished, the regional Office must notify the Central Office and provide copies of all supporting documentation.

c. GSA audit. If it becomes necessary for the regional office to conduct an audit of a State agency, the proposed audit must be first coordinated with and scheduled by the GSA Office of Inspector General (OIG). Audits may be undertaken when corrective action concerning exceptions and violations noted in a previous audit has not been accomplished to the satisfaction of the regional office, or for other sufficient reasons which indicate the State agency may not be operating in conformance with its plan of operation and the regulations. The OIG may independently initiate audits of State agencies when deemed in the best interest of GSA. Prior to initiating audits, the Regional Administrator must notify the chief executive officer of the State of the scheduling of a GSA audit of the State agency and the specific reasons therefor. The Central Office shall be advised of the time of the proposed audit and the reasons why it is necessary for GSA to conduct the audit.

(1) Coordination with the State agency. The State agency must be advised, in writing, by the regional office of the audit conclusions and recommendations. A copy of the letter shall be sent to the Central Office. If the audit report contains exceptions or violations of the State plan of operation or the regulations, the State agency shall be advised of the specific findings and the corrective actions to be taken, together with a time schedule for accomplishing such actions. The State agency should be requested to report on the corrective actions taken. Any recommendations made by the auditor which do not represent violations of the State plan of operation or the regulations may be emphasized in the letter to the State agency, as the regional office deems advisable. The Central Office shall be kept informed by the regional office of the progress made in correcting deficiencies and violations, including a final report when the situation is satisfactorily resolved and the audit closed.

(2) Closing GSA audits. The regional office should coordinate with the field audit office to ensure that all audit reports are processed expeditiously and closed on a timely basis. Close coordination should be maintained with the GSA auditor in effecting closure of an audit report.

d. Failure to take corrective actions. If the regional office determines that the State agency has not corrected deficiencies or violations reported in an external audit or a GSA audit in a timely way, and that all routine efforts for corrective action have been exhausted, appropriate action to correct nonconformance shall be initiated by the regional office in accordance with the provisions of par. 15.

e. Other agency audits. From time to time, the General Accounting Office (GAO), and other authorized Federal activities, as well as GSA, may audit or review the operations of a State agency. The regional office should provide all possible assistance and coordination in such cases upon request from the auditing or reviewing activity.

f. State agency records. Pertinent records of the State agency must be made available by the State agency for inspection by GSA, GAO, and other authorized Federal activities.

15. Nonconformance. The State agency must operate in accordance with the State plan of operation accepted by GSA and in accordance with the requirements of FPMR 101-6.2, 101-8 and 101-44. In the event it is determined that the State agency is not operating in conformance with these requirements, either through information obtained from a State agency audit or program review, or from other sources, the regional office shall immediately initiate appropriate action to correct such nonconformance by

working with the State agency or, if necessary, with the State department or agency officials who supervise the State agent. The regional office shall keep the Central office advised of the status of any case involving nonconformance by a State agency. In the event the regional office concludes that it has exhausted all avenues to correct nonconformance in an expeditious manner, the Regional Administrator must make a recommendation to the Commissioner, Federal Supply Service (FSS), for suspension of allocation and transfer of surplus personal property to the State until the nonconformance is corrected. The recommendation for suspension must be fully documented by the regional office. The regional office shall advise the State, in writing, of its recommendation to the Central Office that allocation and transfer be suspended at the time such recommendation is made. When a determination of suspension is made, the chief executive officer of the State will be advised in writing by the Administrator of General Services of the suspension of allocation and transfer of surplus personal property and the reasons therefor. At such time as the regional office is satisfied that the nonconformance is corrected, and that the State agency will operate in accordance with the plan of operation and the regulations, the Regional Administrator shall promptly recommend to the Commissioner, FSS, that the suspension be lifted. The Administrator of General Services (or the Administrator's designee) will notify the chief executive officer of the State, in writing, when the suspension is lifted.

16. Liquidation.

a. Each State provides in its plan of operation for submission of a liquidation plan to GSA when it is determined by the State that it is necessary to liquidate the State agency.

b. The liquidation plan must be submitted to the GSA regional office by the State before the actual termination of the State agency's activities. A liquidation plan constitutes a major amendment of the State's plan of operation and, as such, no plan may be filed with GSA until 60 calendar days after general notice of the proposed liquidation has been published and interested persons have been given at least 30 calendar days in which to submit comments.

c. The liquidation plan must include:

- (1) Reasons for the liquidation;
- (2) A schedule for liquidating the agency and the estimated date of termination;
- (3) The method of disposing of surplus property on hand, consistent with the provisions of FPMR 101-44.205;
- (4) The method of disposing of the agency's physical and financial assets;
- (5) Retention of all available books and records of the State agency for a 2-year period following liquidation; and
- (6) Designation of another governmental entity to serve as the agency's successor in function until continuing obligations on property donated before the closing of the agency are fulfilled.

d. Upon receipt of a plan to liquidate a State agency, the regional office shall notify the Central Office and work closely with the State agency to effect an orderly and efficient termination. The regional office shall ensure prior to the termination date that all donable property in the State agency's possession is donated, transferred, or sold for the benefit of the Government as provided in par. 12, or otherwise properly disposed of in accordance with established procedures.

17. Extension of the requirement to place property into use within 1 year of donation.

a. Justification. Section 203(j)(4)(C)(ii) of the act requires a donee to return to the State agency any

donated property that is not placed in use for the purposes for which it was donated within 1 year of donation. Requests from donees for extension of this requirement can be considered using the test of reasonableness based on the reason for the extension and the type of property involved. Justification for an extension can be based on delays for reasons beyond the control and without the fault or negligence of the donee. These reasons may include, but are not necessarily limited to, acts of the Government in either its sovereign or contractual capacity, acts of God or the public enemy, fires, floods, severe weather, epidemics, or quarantine restrictions. The nature of the property itself and the construction, modification, or repair necessary for the property to be used for the purpose donated can be considered for justification in requests for extension.

b. Actions required by donees, the State agency, and GSA regional offices.

(1) Donees should submit their written requests for extension of the 1-year restriction, with a complete detailed justification, to the State agency prior to the termination of the requirement to place property into use within 1 year of its receipt. The requests should be in the form of a certification of the facts and should include:

- (a) The name of the donee;
- (b) A description of the property donated;
- (c) The date the property was donated;
- (d) The need that exists for which the property is to be used;
- (e) The date originally planned for the property to be put into use;
- (f) A detailed justification for an extension with supporting documentation or evidence; and
- (g) The proposed revised date for putting the donated property into use, along with an implementation milestone schedule.

(2) The State agency should review the request to ensure that all the necessary facts applicable to the requested extension are included. Based on its review, the State agency makes a determination as to whether the property will be returned to the State agency for further distribution or if the request will be forwarded to the GSA regional office for approval or disapproval. Requests forwarded to the GSA regional office must include an evaluation and recommendation by the State agency.

(3) The GSA regional office shall apply the test of reasonableness in approving a donee's request for an extension. In evaluating the merits of a request, the GSA regional office will consider only the facts as presented in the donee's written justification, which should meet the following test of reasonableness in that:

- (a) The delay in putting the property into use was beyond the donee's control and not due to the negligence or fault of the donee;
- (b) The donee has acted in good faith and has made every reasonable effort to correct the situation;
- (c) The need still exists for which the property was donated;
- (d) The proposed extension period is realistic; and
- (e) The expectation of a successful conclusion is reasonable.

c. GSA approval/disapproval. Upon making a determination, the GSA regional office shall inform the State agency, in writing, of its approval or disapproval. The regional office shall maintain a complete record of its actions on each request for extension for audit and review purposes.

d. State agency follow-up actions.

(1) Approvals by GSA. Upon notification of GSA's approval of a donee's request for extension, the State agency will be responsible for monitoring the donee's progress in complying with the conditions for putting the property into use as set forth in the donee's written justification for the extension and the GSA approval. If the donee cannot perform within the requirements of the approved extension, the State agency must immediately take the necessary action to recapture the property and notify the GSA regional office of the action taken.

(2) Disapprovals by GSA. Upon notification of GSA's disapproval of a request for extension and, if the donee cannot meet the 1-year period of time for putting the property into use, the State agency will be responsible for taking immediate action to recapture or retransfer the property. The GSA regional office must be notified of the action taken.

18. State agency turn-in of undistributed property to Defense Property Disposal Offices (DPDO). The Department of Defense (DOD) and GSA, in a Memorandum of Understanding (see fig. 2-18.1 [Link](#)) of July 22, 1982, have agreed to allow State agencies to turn in nondonated property to DPDO's for disposal.

a. Advance notification. Upon determining that property cannot be donated and will be turned in to a DPDO, the State agency contacts the DPDO with advance information to coordinate the turn-in. The DPDO may require information on the number and type of line items to be turned in and other pertinent information.

b. Documentation.

(1) The State agency prepares six copies of DD Form 1348-1, DOD Single Line Item Release/Receipt Document (see fig. 2-18.2 [Link](#)), for each line item of property to be turned in. Turn-in is made to the nearest DPDO/OSB unless otherwise directed by the Defense Property Disposal Region in which the DPDO is located. The following is the minimum information that must be on the DD Form 1348-1:

(a) Usable property.

(i) National Stock Number (NSN) (when assigned to the item) or best available identifying data, including the Federal Supply Group, if available (CC 8-22)

(ii) Nomenclature. (Block X)

(iii) Unit of issue. (CC 23-24)

(iv) Quantity. (CC 25-29)

(v) Unit acquisition cost. (CC 74-80)

(vi) Supply condition code (see fig. 1-26 [Link](#)). (CC 71)

(vii) Document number. The first two positions of the document number must be

the State's two-digit numeric code. The next position must be an "X." The next three positions may be any alpha-numeric code, but may not be blank. The next four positions will be the Julian date, and the last four the unique serial number for the date. (CC 30-43)

(viii) Weight and cube if readily available. (Blocks I and J)

(ix) Value and list of component parts that have been removed, if readily available.
(Remarks, blocks AA - GG)

(x) Demilitarization code, if applicable. (Obtain from the SF 123 by which the item was originally transferred to the State agency.) (CC 65)

(xi) Disposal authority code "N." (CC 64)

(xii) Shipping point, State agency, DOD Activity Address Code (DODAAC), or activity in-the-clear address. (Block A)

(xiii) Ship to DPDO, DODAAC, or activity in-the-clear address. (Block B).

(b) Usable property batch lotted by the State agency. Based on the option selected in fig. 2-18.3 [Link](#) The following data is included on the DD Form 1348-1 for each lot:

(i) FSC/FSG followed by the word "BATCH." When option 3 is selected, the NSN field will be blank.

(ii) Document Numbers. (See (a)(vii), above).

(iii) Quantity is optional. If blank, DPDO will estimate.

(iv) Demilitarization code.

(v) Total acquisition value of the lot is optional. If blank, DPDO will use \$2 as the average unit cost per pound.

(vi) Shipping point, State agency, DODAAC, or activity in the-clear. (Block A)

(vii) Ship to DPDO, DODAAC or, activity in-the-clear address. (Block B)

(viii) Certification as follows: "I certify that this lot is in compliance with current disposal policy," followed by the date and signature of the person certifying it.

(2) Upon completion of the DD Form 1348-1, the following distribution is made:

(a) The State agency sends the original and four copies to the GSA regional office for approval.

(b) The GSA regional representative authorized to approve the disposal of undistributed Federal surplus property in the custody of a State agency approves the turn-in by typing his or her name and title in the remarks area of the DD Form 1348-1 and signing it. The GSA regional office keeps one copy for its records and returns the original and remaining copies to the State agency within 30 calendar days.

(c) The State agency furnishes the DPDO with four legible copies of the DD Form 1348-1. One copy goes to the State agency as a valid receipt document within 5 working days of the delivery

of the property. If the State agency desires an interim "proof of delivery" copy of the delivery, another copy of the DD Form 1348-1 must be furnished to the DPDO. This copy is annotated by the DPDO to indicate that receipt is acknowledged subject to verification of count and property identity. Under no circumstances, is this copy to be interpreted as an official receipt document for the purpose of adjusting accounting records.

19. Cannibalization.

- a. When property is requested by a State agency for donation for cannibalization, the following statement must appear on the SF 123: "Item(s) (item number(s)) requested for cannibalization." (For property already in the possession of a State agency or a donee, the State agency may authorize cannibalization pursuant to its authority under FPMR 101 44.205(a) and 101-44.208(h)(1).)
- b. Cannibalization must not be authorized if items can be better used in their existing form.
- c. All property that is approved for cannibalization is subject to the terms, conditions, reservations, and restrictions required by the approved State plan of operation. This includes the statutory minimum use requirement for all property for 1 year; additional terms, conditions, reservations, and restrictions imposed on passenger motor vehicles and items with a unit acquisition cost of \$5,000 or more; and any special handling or use limitations imposed by the Administrator of GSA.
- d. Cannibalization by the donee must begin-within 1 year of receiving the property.
- e. Cannibalization may continue until Darts are no longer needed.
- f. When cannibalization actions are completed before the end of the period of restriction and residue remains, the State agency may authorize or require the donee to:
 - (1) Return unneeded residue to the State agency distribution center;
 - (2) Retain the residue for use in other eligible programs; or
 - (3) Report any residue with an estimated fair market value over \$500 to the State agency. The State agency may redonate this residue or, if it cannot be donated, it must be reported to GSA for disposal instructions. The State agency may consider that restrictions have been satisfied if the fair market value of the remaining residue is less than \$500 and release such residue to the donee, provided the proceeds of any disposal are returned to the account from which the service charges were paid to the State agency for the property and used by the donee in the eligible program.

20. Donating surplus clothing to needy persons. State agencies may donate Federal surplus clothing to needy persons to wear. Only eligible public agencies which document that they have official responsibilities for caring for the poor may receive clothing for this purpose. Public agencies may issue the clothing to residents of shelters for the homeless and to other persons who qualify for public assistance under State or local standards. The clothing must be used only by the eligible persons.

TABLE OF CONTENTS

CHAPTER 3. SERVICE EDUCATIONAL ACTIVITIES

Paragraph
Titles

Paragraph
Numbers

Approved activities.....	1
SEA sequence of issue.....	2
Processing SF 123.....	3
Supplemental information.....	4

CHAPTER 3. SERVICE EDUCATIONAL ACTIVITIES

1. Approved activities.

a. The Secretary of Defense, under the authority of section 203(j)(2) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484), has designated certain educational activities, which are of special interest to the armed services, as eligible to receive surplus personal property under the control of the Department of Defense (DOD). These service educational activities (SEA) are schools or organizations in one of the following categories:

- (1) Military schools division--military colleges, military junior colleges and military institutes;
- (2) High schools that have a Junior Reserve Officers Training Corps or National Defense Cadet Corps unit;
- (3) Naval honor schools;
- (4) State maritime academies; and
- (5) National organizations--United Service Organizations, Inc., American National Red Cross, Boys Clubs of America, Boy Scouts of America, Camp Fire, Inc., Girl Scouts of the U.S.A., Naval Sea Cadet Corps, Young Marines of the Marine Corps League/Marine Corps League, Little League Baseball, Inc., National Ski Patrol System, Inc., Admiral H. G. Rickover Foundation, and the United States Olympic Committee.

b. An agreement executed by the DOD and the designated SEA covers the conditions under which surplus property may be donated and lists the categories of property determined by the Secretary of Defense as usable and necessary for each SEA. Copies of the agreements, along with the DOD-authorized property categories for each SEA, are in ch. X of the Defense Utilization and Disposal Manual (DOD 4160.21-M).

2. SEA sequence of issue.

- a. SEA's have a priority of issue for reportable property of the DOD, except for DOD contractor

inventory property, during the second 5 days of the donation screening period. (The first 5 days are reserved for public airports for the limited types of property listed in ch. 4-3.) With respect to DOD nonreportable property, there is no priority of issue for SEA's; donations of property are approved on a first-come, first-served basis. SEA's are not eligible to receive any property generated by Federal civil agencies.

b. Standard Forms (SF) 123, Transfer Order Surplus Personal Property, resulting from the Defense Property Disposal Service (DPDS) screening program may be approved on the sixth day following the surplus release date, or immediately thereafter, if the property has not been requested for transfer by a Federal agency, or requested for donation by a public airport. SF's 123 for DOD reportable property, received directly by GSA regions within the donation screening period, may be approved in the same manner.

c. A formal request for freeze action in lieu of an SF 123 may be honored if received by the GSA region before the SEA sequence of issue period is concluded, contingent upon a prior claim by a public airport. The freeze in this case is a means of reserving the rights of the SEA in the property and prevents it from being otherwise donated or sold. Care must be taken, however, to ensure that property so frozen, but for which an SF 123 is not received in the SEA priority cycle, is made available to the States during the remainder of the donation screening period.

3. Processing SF 123.

a. The procedure for processing SF's 123 received from SEA's is in fig. 1-16.3 . [Link](#) SF's 123 submitted to GSA for donation of aircraft must be processed under the procedures and conditions in ch. 1-13b(3).

b. Donation applications from SEA's are subject to certain restrictions. Special requests for items not listed in the donation agreement are processed as follows:

(1) National organizations. SF 123 must be submitted by the donee, with justification, to the national headquarters for approval. If approved by the national headquarters, the application is sent to the Defense Logistics Agency (DLA) for approval. If DLA concurs in the request, the SF 123 will be forwarded to the GSA regional office where it may be approved for donation if there are no Federal requirements for the property.

(2) SEA schools. SF 123 must be submitted by the donee, with justification, to the sponsoring military service. If approved by the military service, the application does not require DLA approval, but is sent directly to the GSA regional office where it may be approved for donation if there is no Federal need for the property.

4. Supplemental information.

a. Donations of surplus personal property to SEA's may be approved at the discretion of GSA. Notwithstanding the provisions of par. 2, an SF 123 may be disapproved, in whole or in part, when it is determined that it is in the public interest to do so.

b. Requests that appear unreasonable should be immediately brought to the attention of the GSA Central Office.

c. DOD is responsible for, making sure that SEA's comply with the conditions in their donation agreement and 'L'-or taking enforcement action in the event of a breach of the conditions of donation or failure to comply with the conditions. GSA regional offices are expected to promptly report to the Central Office any instances which come to their attention of apparent violations of the terms and conditions applicable to surplus property donated to SEA's. Violation of any conditions in an agreement may be

grounds for revoking the eligibility of the SEA to participate in the donation program.

d. When donated property is no longer needed for use by an SEA, except for items requiring demilitarization as noted below, it must be reported in writing to the State agency in the State where the property is located for transfer without reimbursement. If the State agency can use the property, it should submit an SF 123 to the regional office of location for approval. If the State agency does not need the property, the SEA must be notified in writing. The SEA then reports the property in writing to the nearest Defense Property Disposal Office (DPDO) for transfer without reimbursement. Property refused by the State agency and by the DPDO is disposed of by the SEA. Proceeds from such disposition are deposited in a central fund administered by the SEA for use as authorized in the donation agreement between DOD and the SEA. Items that require demilitarization, such as weapons, fire control equipment, ammunition and explosives, aircraft, space vehicles, etc., are reported by the SEA direct to a DPDO for disposition instructions.

TABLE OF CONTENTS

CHAPTER 4. PUBLIC AIRPORTS

<u>Paragraph Titles</u>	<u>Paragraph Numbers</u>
General.....	1
FAA responsibility.....	2
Eligible applicants.....	3
Aircraft.....	4
Notice to FAA of available property.....	5
Public airports sequence of issue.....	6
Processing of Standard Form 123.....	7
Action by GSA regions.....	8
GSA regional office responsibility.....	9

Figure 4-5. Addresses of Airports District and Airports Division Chiefs to receive excess property catalogs and bulletins

CHAPTER 4. PUBLIC AIRPORTS

1. General. Section 13(g) of the Surplus Property Act of 1944, as amended (50 U.S.C. App. 1622(g)),

provides for the donation of surplus personal property determined by the Administrator of the Federal Aviation Administration (FAA) to be essential, suitable, or desirable for the development, improvement, operation, or maintenance of a public airport.

2. FAA responsibility. The Administrator of the FAA or his duly authorized representative shall:

- a. Determine requirements for surplus personal property of any State, political subdivision, municipality, or tax-supported institution for public airport use;
- b. Prescribe the eligibility requirements for public airport applicants and make determinations of eligibility;
- c. Determine whether available surplus personal property is essential, suitable, or desirable to fulfill the immediate or foreseeable future requirements for the development, improvement, operation, or maintenance of a public airport; and
- d. Determine and enforce compliance with the terms and conditions under which surplus personal property is transferred for public airport use.

3. Eligible applicants.

a. Public airports. Each Standard Form 123, Transfer Order Surplus Personal Property, must show the name and address of the public airport, including the county and ZIP code, in block 13a. The SF 123 must be signed by either a designated official of the public airport or by an agent representing the public airport with his official title entered below his signature. When a public airport has delegated authority to a State official or other agent to select and apply for surplus property on behalf of the public airport, the agent must sign the SF 123 and enter below his signature the words "Donee Agency, (Name of agent's organization).\" Title to the property is taken in the name of the donee airport, not the agent or his organization.

(1) The following types of property may be transferred for donation to public airports:

sweepers	firetrucks	segmented circles
rollers	crash trucks	wind direction
mowers	beacons	indicators
concrete mixers	runway, taxiway	cables
asphalt kettles	and apron lighting	arresting barriers
air compressors	fixtures and equipment	blast fences
rakes	approach lights	T-hangers
blitzers	boundary lights	hangars
dump trucks	wind cones	fencing
trucks	windsocks	utility systems
jeeps	buildings and components	
tractors	tetrahedrons	radio equipment
snowplows	wind teas	navigational aids

(2) A request for an item not listed in (1), above, may be approved provided a suitable explanation and justification is submitted to GSA by the applicant public airport and endorsed by the FAA.

b. State aeronautical commissions. It has been determined by FAA and GSA that a State aeronautical commission (or agency) having an authorized program of direct maintenance, construction, or development assistance for public airports may request surplus heavy equipment. Such surplus property may be transferred for donation to those State aeronautical commissions for use only by public airports and cannot be used for any purpose other than the above. Each SF 123 submitted by a State

aeronautical commission must show the name and 5 address of the commission, including the county and ZIP code, in block 13a. The SF 123 must be signed by an official of the State aeronautical commission and the title of the official must appear below the signature.

(1) State aeronautical commissions may acquire surplus heavy construction type equipment associated with excavating, hauling, clearing, and building projects commonly carried out at airports, including drayage equipment necessary to move donated property. Examples of such property are as follows:

aggregate plants	cranes
back hoes	earth boring equipment
bituminous equipment	graders and attachments
buckets	land clearing equipment
concrete producing equipment	pile driving equipment
rollers	tractors
trucks	trenching machines

(2) The list in (1), above, is not all inclusive. Items which are not on this list may be approved if definitely required as a part of construction work. Surplus office equipment, vehicles, or other items required primarily for the administration of the State aeronautical program will not be approved. However, requests by a State aeronautical commission, when acting as an agent for the airport(s), for items directly related to the development, improvement, operation, or maintenance of a public airport; e.g., navigation aids, communication and teletype facilities, and electronic maintenance and repair parts to support these systems, may be approved.

4. Aircraft. Flyable aircraft will not be transferred for donation for public airport purposes. Requests for donation of cannibalized and demilitarized aircraft by a public airport to use in firefighting and rescue training will be forwarded to GSA Region 9 (9FW) for approval.

5. Notice to FAA of available property. Each GSA regional office will send copies of its excess property catalogs and bulletins to the FAA offices listed in figure 4-5 [Link](#) in the quantities indicated. FAA will be afforded an opportunity to review completed Standard Forms 120, Report of Excess Personal Property, which are not published in a catalog or bulletin in GSA regional offices. On the surplus release date, provisions will be made by the region for advising FAA of the current availability of those items which are subject to a donation interest. This will be accomplished in a manner satisfactory to both the GSA and FAA regional offices.

6. Public airports sequence of issue. Public airport donees enjoy a Priority of issue on reportable property of both civil and military agencies during the first 5 calendar days of the 21 calendar day donation screening period (the second 5 calendar days are reserved for service educational activities on military reportable property only). With regard to nonreportable property, there is no sequence or priority of issue, and SF's 123 will be approved on a first-come, first-served basis.

7. Processing of Standard Form 123. The procedure for processing an SF123 received from a public airport donee is contained in figure 1-16.3. [Link](#)

8. Action by GSA regions. Full effect will be given by GSA allocating regions to the sequence of issue cited in par. 6 for reportable property. An SF 123 will be approved on the surplus release date, or immediately thereafter, if the property has not been transferred or is not required for further Federal use. There is no priority of issue between public airports or their agents and State aeronautical commissions. SF's 123 will be processed on a first-come, first-served basis. SF's 123 received from public airport donees for the same item of property where the applicants are from different FAA regions will be approved on a first come, first-served basis.

9. GSA regional office responsibility. The FAA is responsible for ensuring that public airport donees comply with the terms and conditions applicable to donated property, including surveillance to ensure proper use of such property. GSA regional offices are expected to promptly report to the Central Office any instances which come to their attention of apparent violations of the terms and conditions applicable to surplus property donated to public airports.

TABLE OF CONTENTS

CHAPTER 5. AMERICAN NATIONAL RED CROSS

<u>Paragraph Titles</u>	<u>Paragraph Numbers</u>
General.....	1
Action by the American National Red Cross.....	2
Action by GSA regions.....	3
Transfer by holding agencies.....	4
Donable property determined unusable by the Red Cross.....	5

CHAPTER 5. AMERICAN NATIONAL RED CROSS

1. General.

a. This chapter prescribes the procedures for donation to the American National Red Cross, for charitable purposes, only that personal property which has been determined to be surplus property and which has been identified as having been processed, produced, or donated by the American National Red Cross to the Federal Government; i.e., blood or blood plasma. Such donations to the Red Cross are made pursuant to the provisions of section 203(l) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484), as amended.

b. As a service educational activity, the American National Red Cross may also receive Federal surplus personal property under procedures set forth in ch. 3.

2. Action by the American National Red Cross.

a. Upon receipt of information from Federal agencies regarding the availability of property meeting the criteria set forth in subpar. 1a, the Red Cross may inspect the property or request it without inspection. Within 20 calendar days from the date of notification of availability, the Red Cross shall submit a formal request and shipping instructions, in duplicate, to the activity of the holding agency having custody of the property, with a copy to the GSA regional office for the area in which the property is located. The shipping instructions shall reference the date when the Red Cross received the information on which the request is based, and include a list of all surplus property to be transferred.

b. If the property has an estimated value in excess of \$500 or, in the case of blood plasma, consists of a quantity in excess of 1,000 units, the Red Cross shall send three copies of the formal request and shipping instructions to the applicable GSA regional office for approval.

3. Action by GSA regions. If the property referred to in subpar. 2b is approved for donation, the GSA regional office shall mail two approved copies of the request and shipping instructions direct to the responsible activity of the agency holding the property and retain the third copy for its files. Requests for donable property which do not exceed the amounts specified in subpar. 2b do not require further GSA approval.

4. Transfer by holding agencies. The holding agency, upon receipt of the request and shipping instructions, shall transfer the requested property directly to the Red Cross. It is the holding agency's responsibility to accomplish shipment or delivery of the requested property. Shipments are to be made f.o.b. installation, transportation charges collect, with one copy of the approved request and shipping instructions either attached to the shipping documents or enclosed with the shipment.

5. Donable property determined unusable by the Red Cross. Property eligible for donation to the Red Cross which the Red Cross declines to request within the prescribed 20-day period shall be disposed of as other surplus. When such property is offered for disposal, the disposal document shall provide for a certification to the effect that all Red Cross labels or other Red Cross identifications will be obliterated or removed from the property before use by the recipient or transfer by him to other users.

TABLE OF CONTENTS

CHAPTER 6. PUBLIC BODIES

Paragraph	Para
<u>graph</u>	
<u>Titles</u>	<u>Nu</u>
<u>mbers</u>	
General.....	
1	
Findings justifying donation to public bodies.....	2
Disposal	
costs.....	3
Certified and noncertified electronic products.....	4

CHAPTER 6. PUBLIC BODIES

1. General. Section 202(h) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 483(h)), provides for the donation of personal property to public bodies. Property

eligible for donation to public bodies is the type of property which would normally be abandoned or destroyed. It does not include controlled substances (as defined in FPMR 101-43.001-4) and combat materiel (as defined in FPMR 101-43.001-2).

2. Findings justifying donation to public bodies.

a. Any executive agency may donate to public bodies personal property which has been affirmatively found, in writing, by a duly authorized official of such agency, to be property:

(1) Which has no commercial value; or

(2) Of which the estimated cost of its continued care and handling would exceed the estimated proceeds from its sale.

b. Such findings shall not be made by any official directly accountable for the property covered thereby.

c. When a line item of property to be disposed of under this authority by an executive agency at any one location at any one time had an original cost (estimated if not known) of more than \$1,000, such findings shall be approved by a reviewing authority before any disposal. For the purposes of this chapter, the term "reviewing authority" means a local, regional, or departmental board of review of an executive agency.

3. Disposal costs. All disposal costs incident to the donation, such as packing, preparation for shipment, demilitarization, loading, and transportation to the donee, shall be borne by the public body receiving the property.

4. Certified and noncertified electronic products. When surplus certified and noncertified electronic products (as defined in ch. 1-13j(1)) are donated to a public body in accordance with the provisions of this chapter, the head of the agency authorized to make the donation shall be responsible for the same safeguards, notifications, and certifications set forth in ch. 1-13j.

TABLE OF CONTENTS

CHAPTER 7. MAJOR DISASTER AND EMERGENCY ASSISTANCE

<u>Paragraph</u> <u>Titles</u>	<u>Paragraph</u> <u>Numbers</u>
General.....	1
Scope.....	2
Authority.....	3
Definitions.....	4
Sequence of actions leading to Federal disaster assistance..	5
Time limits.....	6
Request for GSA donation assistance.....	7
Action by GSA regions.....	8
Processing reimbursement billings.....	9
Records.....	10
Compliance.....	11
Disposition of property.....	12

Figure 7-5. Federal Disaster Assistance Administration, HUD, regional offices

Figure 7-8.1. FDAA letter of request, sample letter A (reimbursement authorized)

Figure 7-8.2. FDAA letter of request, sample letter B (reimbursement not authorized)

Figure 7-8.3. GSA letter of donation approval

Figure 7-9.1. Standard Form 1080, Voucher for Transfers Between Appropriations and/or Funds

Figure 7-9.2. Standard Form 1081, Voucher and Schedule of Withdrawals and Credits

Figure 7-9.3. Form HUD-483, Project Application for Federal Financial Assistance

Figure 7-9.4. Standard Form 1034, Public Voucher for Purchases and Services Other than Personal

Figure 7-9.5. Form HUD-481, Summary of Documentation in Support of Amount Claimed from the Federal Disaster Assistance Administration for Eligible Disaster Work

Figure 7-9.6. Form HUD-482, Blanket Certificate Covering Claim from the Federal Disaster Assistance Administration for the Cost of Eligible Disaster Work

CHAPTER 7. MAJOR DISASTER AND EMERGENCY ASSISTANCE

1. General. This chapter prescribes procedures and guidelines for GSA regional offices in processing donations of surplus personal property for purposes of Federal disaster assistance. All donations of surplus property for disaster assistance will require prior approval of GSA in accordance with this chapter, except where property already approved for donation is donated to eligible donees by the State agency.

2. Scope.

a. Surplus personal property shall be donated to State and local governments without cost for use or distribution by them for major disaster or emergency assistance purposes, including the restoration of public facilities damaged in major disasters and the essential rehabilitation of individuals in need as the result of any emergency or major disaster.

b. These actions will be taken in accordance with the directives of the Federal Disaster Assistance Administration (FDAA), acting under the authority delegated by the Secretary of Housing and Urban Development (HUD), pursuant to the Disaster Relief Act of 1974 (Public Law 93-288, 42 U.S.C. 5121) and Executive Order 11795 dated July 11, 1974.

3. Authority. The GSA Delegations of Authority Manual, ch. 7-14a(5) (ADM P 5450.39A), delegates to the Regional Administrators authority to donate surplus equipment and supplies to States for use or distribution by them in connection with any emergency or major disaster.

4. Definitions. For the purposes of this chapter, the following terms shall have the meanings set forth in this paragraph:

a. "Emergency" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, land slide, mudslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which requires Federal emergency assistance to supplement State and local efforts to save lives and protect property, public health, and safety or to avert or lessen the threat of a disaster.

b. "Major disaster" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, mudslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which, in the determination of the President, causes damage of sufficient severity and magnitude to warrant major disaster assistance under the Disaster Relief Act of 1974, above and beyond emergency services provided by the Federal Government, to supplement the efforts and available resources of States, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

c. "United States" means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands.

d. "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, or the Trust Territory of the Pacific Islands.

e. "Governor" means the chief executive of any State.

f. "Local government" means any county, city, village, town, district, or other political subdivision of any State; any Indian tribe or authorized tribal organization; any Alaska Native village or organization; or any rural community or unincorporated town or village or any other public entity for which an application for assistance is made by a State or political subdivision thereof.

g. "Federal agency" means any department, independent establishment, Government corporation, or other agency of the executive branch of the Federal Government, including the United States Postal Service, but shall not include the American National Red Cross.

5. Sequence of actions leading to Federal disaster assistance.

a. As a result of a local incident, local authorities request help from the State government.

- b. The State government gives all assistance possible. If beyond the State's capability, the Governor presents, through the FDAA regional office (figure 7-5 [Link](#)) a request for Federal assistance.
- c. The FDAA Regional Director surveys the damage and makes a recommendation to the FDAA Administrator.
- d. The FDAA Administrator forwards the Governor's request to the Secretary of HUD, together with his report and recommendations.
- e. The Secretary of HUD evaluates the request and recommends action to and by the President of the United States who makes the determination.
- f. If warranted, the President then declares that either a major disaster or an emergency exists. He advises the Governor of the State requesting assistance and the FDAA.
- g. The FDAA directs and coordinates Federal disaster assistance.

6. Time limits.

a. Project applications must be submitted to FDAA within 30 calendar days of the determination of an emergency or within 90 calendar days following the date of the major disaster declaration, unless the period is specifically shortened or extended by the FDAA Regional Director.

b. Federal emergency assistance shall terminate not later than 1 month after the determination that an emergency exists, except that:

(1) Based on extenuating circumstances beyond the control of the applicant, the FDAA Regional Director may extend the time limitation not to exceed an additional 2 months.

(2) Based on his determination that such action is warranted, the FDAA Administrator may extend the time limitation completion date beyond the 3 months when requested by the State.

c. Federal assistance provided under sections 305 (emergency assistance), 306 (major disaster or emergency assistance), 402 (major disaster assistance), 403 (major disaster assistance) , and 419 (major disaster assistance) of the Disaster Relief Act of 1974 shall begin with the President's declaration of an emergency or major disaster made under sections 301(a) or (b) and, with the following exceptions, shall terminate upon expiration of the time periods specified below. Based on extenuating circumstances or unusual project requirements clearly beyond the control of the applicant and the direct recipient of the Federal assistance, the FDAA Regional Director may extend any of these time periods a maximum of 180 calendar days, on a project-by-project basis.

	Initiation Deadline	Completion Deadline
(1) Debris clearance	30 days	180 days
(2) Emergency measures	30 days	180 days
(3) Permanent restorative projects	30 days	18 months

d. Failure to start a project within the specified time limits may result in cancellation of the project unless the late start is approved by the FDAA Regional Director. The FDAA Regional Director may impose lesser time limits than under c (1) , (2), and (3), above, if considered appropriate. Similarly, based on his determination that such action is warranted, the FDAA Administrator may extend any of the

prescribed time periods or completion dates. The FDAA Administrator will furnish the GSA Administrator a copy of the notice of termination. The GSA Central Office will furnish the notice of termination to the GSA regional office concerned.

7. Request for GSA donation assistance. When an emergency or a major disaster is declared, the State will furnish to the FDAA regional office a list of property needed to assist in combating the effects of the disaster. The FDAA regional office will review the list and, if the property is deemed usable and necessary, will ask the GSA regional office to locate suitable surplus property.

8. Action by GSA regions.

a. Request from FDAA. Upon receipt of a request from FDAA to locate specific surplus property items, the GSA regional office for the State in which disaster assistance is required will act as follows:

(1) Evaluate the request to determine action to be taken based upon quantity and types of items requested. Reasonably similar items may be acceptable as substitutes;

(2) Review all lists of available excess and surplus personal property, including Standard Forms 120, Report of Excess Personal Property, commodity files, current and recent excess property catalogs (including those of other GSA regions), and lists of nonreportable property within the region to determine potential availability of required items. Area utilization officers will review any additional lists of nonreportable property or turn-in documents, and will physically inspect property at holding agencies;

(3) Review any surplus property approved for transfer for donation pursuant to the provisions of ch. 2 of this handbook, and still in the possession of a State agency, to determine which items are needed for emergency or major disaster assistance. The GSA regional office will ascertain whether any required items can be made available from a State agency distribution center within the State in which the disaster occurred, or from other States;

(4) "Freeze" requested surplus property immediately when located;

(5) Notify the FDAA regional office of the property "frozen," giving all pertinent information needed to proceed with the acquisition of property required, and request FDAA to issue a formal letter of request (see b, below) FDAA, at this point, may arrange for inspection of the property; and

(6) Inform the Central Office, Office of Personal Property Disposal, that a request for disaster assistance has been received, including information concerning the items and quantities of property requested, and continue to advise of all actions taken so that assistance may be furnished by the Central Office.

b. Formal letter of request from FDAA. If the available property is determined by FDAA to be usable, the FDAA regional office will issue to the applicable GSA regional office an appropriate letter of request, signed by the FDAA Regional Director, using either sample letter A (reimbursement authorized; see figure 7-8.1 [Link](#)) or sample letter B (no reimbursement authorized; see figure 7-8.2 [Link](#)). The letter of request, regardless of which format is used, will contain complete information concerning the mission assignment covered by the request, including the name and address of the holding agency; the quantity, acquisition cost, and a complete description of the property to be donated; the name and address of the consignee; and appropriate shipping, pickup, or delivery instructions. It is the holding agency's responsibility to accomplish shipment or delivery of the property or other mission assignments directed by FDAA.

c. Reimbursement. FDAA, in accordance with 24 CFR 2205, may authorize reimbursement to Federal agencies for certain documented expenses incurred in carrying out a mission assignment in disaster assistance cases. Allowable expenses may include overtime, travel, per diem, materials, equipment, and

supplies, including transportation, repair, and maintenance. In authorizing reimbursement, the FDAA will specify in its letter of request a ceiling amount which cannot be exceeded by a Federal agency. State agencies or States may be reimbursed in accordance with the procedures outlined in subpar. 9b.

d. Processing donation approval.

(1) Reimbursement authorized. When FDAA has authorized reimbursement, the GSA regional office will take the following actions:

(a) Contact the Federal holding agency or the State agency, as applicable, to obtain an estimate of reimbursable costs based on the mission assignment directed by FDAA;

(b) Prepare, but not forward, an original and three copies of the GSA letter of donation approval (see figure 7-8.3 [Link](#)) addressed to the Federal holding agency or State agency;

(c) Furnish immediately to the FDAA Regional Director the original and two copies of the letter of donation approval for his concurrence. He will sign and date all copies in the lower left corner and return the original and one copy to the GSA regional office; and

(d) Sign and forward, upon receipt of concurrence from the FDAA Regional Director, the original letter of donation approval, with a copy of the FDAA letter of request attached, to the holding agency or the State agency. One signed copy shall be retained in the regional office.

(2) Reimbursement not authorized. When FDAA has not authorized reimbursement, the GSA regional office will prepare an original and two copies of the letter of donation approval. Since reimbursement is not authorized, concurrence of the FDAA Regional Director is not required. The GSA regional office will, therefore, sign and forward to the Federal holding agency or the State agency the original letter of donation approval with a copy of the FDAA letter of request attached, and an informational copy to the FDAA Regional Director. In the event an allocation of funds is subsequently approved, FDAA may initiate a supplementary letter of request to approve reimbursement. GSA regional offices will process such supplementary actions in accordance with (1), above.

9. Processing reimbursement billings.

a. Federal holding agencies. Reimbursement billings from holding agencies for completed mission assignments authorized in accordance with this chapter will be prepared on Standard Forms 1080, Voucher for Transfers Between Appropriations and/or Funds, and 1081, Voucher and Schedule of Withdrawals and Credits (figures 7-9.1 [Link](#) and 7-9.2 [Link](#)) and, in accordance with FDAA requirements, will be sent by the holding agency to the GSA regional office for review and endorsement prior to submission to FDAA. The GSA regional office will transmit the separate billings for each declared disaster or emergency to FDAA by covering letter which will indicate the original estimate submitted by the holding agency, advise whether or not the billing is in conformity with this estimate, and certify that the ceiling amount specified by FDAA in its letter of request has not been exceeded.

b. State agencies. Except for initially obtaining estimated costs in accordance with subpar. 8d, GSA regional offices will not become involved in the processing of reimbursement vouchers submitted by a State. Reimbursement of the State agency releasing surplus property for disaster assistance will be made by the State receiving the property. The State agency shall coordinate and make arrangements with the State official in charge of disaster relief for reimbursement for services provided. In addition to services rendered, the State agency is entitled to reimbursement of documented expenses originally incurred in the care and handling of the property, including the screening, transporting, and receipt of property made available for disaster relief. The State receiving the property may then submit directly to the appropriate FDAA Regional Director a project application for reimbursement of eligible expenses incurred in the donation using Form HUD-483, Project Application for Federal Financial Assistance (figure

7-9.3 [Link](#)). Subsequent vouchers for reimbursement will be submitted by the State directly to the FDAA regional office on Standard Form 1034, Public Voucher for Purchases and Services Other than Personal (figure 7-9.4 [Link](#)), together with Form HUD-481, Summary of Documentation in Support of Amount Claimed from the Federal Disaster Assistance Administration for Eligible Disaster Work (figure 7-9.5 [Link](#)), and Form HUD-482, Blanket Certificate Covering Claim from the Federal Disaster Assistance Administration for the Cost of Eligible Disaster Work (figure 7-9.6 [Link](#)). More detailed information on the preparation of project applications and vouchers is contained in the Federal Disaster Assistance Program Handbook for Applicants, 3300.5. Figures 7-9.3 thru 7-9.6 will be used by the GSA regional office solely for information and to furnish advice to a State agency.

10. Records. Immediately upon receipt of an FDAA directive for the donation of surplus personal property in connection with disaster assistance, a separate file will be established and maintained until the period of disaster assistance is terminated. Within 30 calendar days following the termination of disaster assistance, the GSA regional office will furnish by letter to the Central Office, Office of Personal Property Disposal, a summary of the property approved for donation for the particular disaster declaration, under the headings of "Federal Holding Agencies" and "State Agencies for Surplus Property." The items under each heading will show brief adjective nomenclature, quantity, and total value at acquisition cost.

11. Compliance. The FDAA Regional Director is responsible for ensuring that the surplus personal property obtained for disaster assistance is used for the purpose for which it was donated.

12. Disposition of property. After surplus personal property donated under this program has served the purpose for which it was intended, final disposition will be the responsibility of the State which received the property. However, when property has been obtained from or through a State agency for disaster relief purposes, and is not used or is no longer required for those purposes, it shall be returned to the State agency. Such property received by the State agency will be accounted for and disposed of in the same manner as any other property approved for donation under normal circumstances.

CHAPTER 8. ABANDONED AND FORFEITED PERSONAL PROPERTY -- RESERVED

TABLE OF CONTENTS

CHAPTER 9. FORFEITED DISTILLED SPIRITS, WINE, AND MALT BEVERAGES

<u>Paragraph Titles</u>	<u>Paragraph Numbers</u>
General.....	1

Definitions.....	2
Establishing eligibility.....	3
Filling donation requests.....	4
Donation of lots not required to be reported.....	5
Shipping instructions.....	6
Shipping restrictions.....	7
Rejecting beverages approved for donation.....	8
Maintaining eligibility.....	9
Compliance.....	10

Figure 9-3. GSA Form 18, Application of Eleemosynary Institution

CHAPTER 9. FORFEITED DISTILLED SPIRITS, WINE, AND MALT BEVERAGES

1. General. This chapter prescribes the policies and procedures governing the donation of forfeited distilled spirits, wine, and malt beverages to eligible eleemosynary institutions for medicinal purposes under Federal Property Management Regulations 101-48. Forfeited distilled spirits, wine, and malt beverages for which there is no Federal utilization will be made available for donation purposes by the GSA National Capital Region, Personal Property Services Branch (WFBP).
2. Definitions. For definition of terms used in this chapter, see app. A.
3. Establishing eligibility. Eleemosynary institutions that want to obtain beverages for use by their inpatients for medicinal purposes must establish their eligibility by sending GSA Form 18, Application of Eleemosynary Institution (see fig. 9-3 [Link](#)), to the General Services Administration (WFBP), Washington, DC 20407. (The Office of Management and Budget Approval Number 3090-0001 has been assigned to this form.) A GSA Form 18 which is not fully or properly prepared may be returned to the applicant or held in suspense until the required information is obtained. Upon receiving a completed GSA Form 18, the regional office establishes a case file. The file will contain the original GSA Form 18, along with any later correspondence or allocations made to the institution.
4. Filling donation requests.
 - a. Donee requirements. Allocations are based on an institution's needs. Requesting institutions must show on the GSA Form 18 the kind and quantity of alcoholic beverages they need. GSA uses the form to match needs with the beverages available for donation. At the end of each calendar year in which it receives a donation, an institution must advise GSA of any change in the number of charity individuals served if the change affects the institution's requirements for the following year.
 - b. Equitable distribution. Forfeited distilled spirits, wine, and malt beverages must be distributed equitably among requesting institutions, with consideration given to other factors such as transportation costs and shipping restrictions. If enough are available, the beverages may be split among several applicants to ensure equitable distribution. If there are not enough for this, the beverages should be allocated on a rotating basis.
 - c. Notification of availability. After determining that there is no Federal need for the beverages, GSA

(WFBP) notifies the institution of availability and confirms that the institution still needs them. Upon receiving such confirmation, GSA (WFBP) initiates shipment by authorizing the seizing agency to release the liquor to the requesting institution. A copy of the authorization is mailed to the institution as notice to take custody and make shipping arrangements.

5. Donation of lots not required to be reported. Distilled spirits, wine, and malt beverages in any one seizure of less than 5 wine gallons may be donated directly by the seizing agency to any eleemosynary institution determined to be eligible by GSA (WFBP) if the beverages are found by the seizing agency to be suitable for drinking. The holding agency must promptly report such donations by letter to GSA (WFBP). The report must state the quantity and type donated, the name and address of the donee institution, and the date of the donation. Upon receiving such notification by a seizing agency, GSA (WFBP) takes appropriate coding action and ensures that a copy of the direct donation is placed in the institution's case file. Such direct donations must be taken into account when making future allocations to ensure equitable distribution among participating institutions.

6. Shipping instructions. Within 60 calendar days from the date of notification to take custody of the liquors, the receiving institution must furnish the holding activity with shipping instructions, and when required by law, a permit to ship the liquors into the State. Otherwise, revocation of the authorization to take custody of the forfeited liquors may result. All costs of sampling, packing, shipping, and transportation must be borne by the receiving institution.

7. Shipping restrictions.

a. Seized and forfeited distilled spirits, wine, and malt beverages cannot be shipped into California, Kentucky, Montana, South Carolina, Tennessee, and Washington.

b. Seized and forfeited distilled spirits, wine, and malt beverages cannot be shipped into or out of Alabama and Mississippi.

c. Malt beverages cannot be shipped into or out of Florida unless they have the State stamp.

8. Rejecting beverages approved for donation. If an institution decides it cannot use the alcoholic beverages approved for donation, it must notify GSA (WFBP). GSA determines if the Government needs the beverages. If it does not, but another donee can use them, GSA advises the new donee of availability and informs the seizing agency to hold the beverages pending disposition. If neither the Government nor an eligible donee needs them, GSA notifies the holding agency of the rejection and issues clearance to the agency to destroy or sell the beverages.

9. Maintaining eligibility. To ensure continuing eligibility, GSA (WFBP) must update the eligibility file of each participating institution at least once every 3 years. If an eligible institution ceases to operate for charitable purposes, or otherwise fails to maintain its eligibility, GSA must stop distributing beverages to the institution.

10. Compliance. The reverse of GSA Form 18 (see fig. 9-3 [Link](#)) has a certification and an agreement to comply with GSA regulations under title VI of the Civil Rights Act of 1964, section 606 of the Federal Property and Administrative Services Act of 1949, as amended, section 504 of the Rehabilitation Act of 1973, as amended, title IX of the Education Amendments of 1972, as amended, and section 303 of the Age Discrimination Act of 1975. If information received by GSA indicates or alleges that donated alcoholic beverages are being improperly used, or that an institution is not complying with its certification or nondiscrimination agreement, GSA (WFBP) must investigate to find out the facts. If the allegation is true, GSA (WFBP) must stop distributing beverages to the institution.

TABLE OF CONTENTS

CHAPTER 10. RECORDS AND REPORTS

<u>Paragraph Titles</u>	<u>Paragraph Numbers</u>
General	1
Tape Oriented Personal Property Excess Report (TOPPER) System.....	2
Allocation control register.....	3
Statistical reporting by the State agencies to the regional offices.....	4
Statistical reporting by the allocating offices.....	5
Office of Management and Budget (OMB) reporting requirement.....	6
Civil Rights Act of 1964 reporting requirement.....	7
Figure 10-5.1. GSA Form 3068, Report on Property Disposition and Sources	
Figure 10-5.2. GSA Form 3069, Surplus Property Activity Report	
Figure 10-6. GSA Form 2476, Report on Donations to Service Educational Activities and Public Airports	

CHAPTER 10. RECORDS AND REPORTS

1. General. These instructions apply to the recording of information pertaining to allocations of surplus personal property and to the periodic submission of reports to the Central Office. These records and reports provide controls and statistical information necessary for the submission of reports to higher authority and evaluation of the surplus personal property program. Two statistical recording systems are maintained for this purpose.

2. Tape Oriented Personal Property Excess Report (TOPPER) System.

a. The TOPPER System provides information regarding current period and fiscal year-to-date allocation and donation activities to the regions and the Central Office on statistical tabulations produced by automated data processing equipment. The HB, Utilization of Excess Personal Property (FSS P 7800.6), describes procedures for posting data, the reports produced, and the distribution of reports. All donation program data entered into the TOPPER System will be input by the regional office serving the area in which the transferred property is located.

b. Most reports produced by the TOPPER System contain summary data to be used in evaluating overall program performance. However, the report titled "Allocations by State, FSG, and Condition" is

produced monthly to reflect nationwide data on a current period and fiscal year-to-date basis. It may be used by the allocating offices to aid in equitable distribution of surplus property among the States in accordance with ch. 2-5.

3. Allocation control register. A statistical system based on allocation control registers maintained by the four allocating offices provides data on allocations to the State agencies and on movement of surplus property between the various States and regions. Each allocating office shall maintain an allocation control register in accordance with the guidelines contained in this paragraph. Instructions for preparing statistical reports based on the allocation control register are contained in par. 5. The source documents for data to be recorded on the register are Standard Forms 123, Transfer Order Surplus Personal Property, submitted to the allocating office by the various State agencies for approval or by other allocating offices or regional offices for information purposes. Both reported and nonreported property allocations are reflected on the register. However, data on donations to service educational activities (SEA's), public airports, and other donees not requesting property through a State agency will not be recorded on the allocation control register. A separate register shall be maintained for each State in the allocating area on the basis of property location. All acquisition cost data will be rounded to the nearest dollar.

a. Completion of the register. Data for the allocation control register shall be recorded on the Personal Property Register, copies of which have been transferred from the Department of Health, Education, and Welfare stock and furnished to the allocating offices. The Personal Property Register shall be completed as follows:

(1) Column 1 - "HEW Allocation Code." For reported property, enter the GSA control number assigned in accordance with the HB, Utilization of Excess Personal Property (FSS P 7800.6), in lieu of the HEW allocation code. For nonreported property, enter a manually assigned eight-digit GSA control number, with the first digit representing the region in which the property is located, the second digit reflecting the fiscal year, the letter "N" in the third position, and a serially assigned number in the remaining five positions. Each regional office shall be responsible for maintaining a control log for nonreported property control numbers to be assigned to transfer documents for property located within its boundaries. The regional office shall assign control numbers to transfer documents it approves. The allocating office shall obtain non reported property control numbers for non-allocating regional offices under its auspices for assignment to transfer orders the allocating office approves for nonreported property located in non-allocating regions.

(2) Column 2 - "Located In." Enter the total acquisition cost of property requested under the control number listed in column 1. If multiple applications are received for the same property, the acquisition values on all applications shall be totaled and entered. This column shall include all property applied for that is located in the State listed at the top and center of the register.

(3) Column 3 - "Disapprovals." Enter the four-digit Federal Supply Classification (FSC) in lieu of disapproval statistics. For the purpose of the register, property shall also be condition coded "N" (new or unused), "O" (usable without repairs), "R" (used with repairs required), or "X" (salvage or scrap) in this column.

(4) Columns Headed "States and Regions." A set of two columns is provided for each State in the region and two columns for all other regions. These are headed "Allocated To" and "Adjustment" in the case of the States, and "Allocated To" and "Allocated From" with respect to the regions.

(a) "Allocated To" Column. Enter the acquisition cost of that property located in the State designated at the top and center of the register which is allocated to each State or region listed, as applicable. If the allocation is split between two or more States in another region, the acquisition cost of the property involved shall be totaled and posted as a single entry. Post in parenthesis the two-letter abbreviations of the State(s) involved in an allocation to another region.

(b) "Adjustment" Column. Entries shall be made in this column where there is a deviation in the acquisition cost of property entered in the "Allocated To" columns and the cost to be charged to the State agencies receiving the allocation. These entries can result from adjustments in acquisition cost as provided in ch. 2-5h; when previously allocated property is found to be not available; when property is found to be over or short at the time of receipt; or when property allocated to one State agency is retransferred to another State agency or to a Federal agency. Adjustments resulting from the provisions of ch. 2-5h will result in credit entries in the "Adjustment" column. Where no charge is to be made on the basis of FSC or FSG as specified in ch. 2-5h(3)(a), enter the total acquisition cost of the item. Where the adjustment is to be made on the basis of an acquisition cost of \$25,000 or more pursuant to ch. 2-5h(3)(b), calculate \$25,000 plus 20 percent of the balance of the acquisition cost and enter the difference between the resulting value and the total acquisition cost in the "Adjustment" column. If the property is being transferred for cannibalization and is to be adjusted to 15 percent of the acquisition cost in accordance with ch. 2-5h(4), enter 85 percent of the acquisition cost. An entry made due to a withdrawal or cancellation, overage, shortage, or retransfer must take into consideration whether the initial entry received an adjustment pursuant to ch. 2-5h (3) or (4). Entries resulting from nonavailability, shortage reports, or retransfer actions shall appear as credits, while those due to overage reports shall be reflected as debts. However, no entry shall be made in the "Adjustment" column if the initial allocation was adjusted on the basis of FSC or FSG while entries proportional to the initial adjustment shall be made for property over \$25,000 or transferred for cannibalization. In the case of retransfer, credit entries for the amount retransferred shall be placed in the "Adjustment" column of the losing State (if applicable) and the "Allocated To" column of the gaining State or region.

(c) "Allocated From" Column. Enter in this column the acquisition cost of property allocated from another region to the State designated at the top of the register. Data will be derived from the copy of the SF 123 forwarded by the appropriate allocating or regional office. List the GSA control number of the region in which the property is located in column 1.

(5) Additional instructions.

(a) Where applications for property have been approved and appropriate entries made on the Personal Property Register and the property subsequently is found to be unavailable, the initial entries shall remain. However, entries shall be made in column 1 reflecting the applicable GSA control number and the notation "cancellation" and in the "Adjustment" column of the allocatee(s) corresponding to the amount of the property which was not available.

(b) When property with an acquisition cost of \$100 or more is allocated to one State and subsequently is retransferred to another State, the applicable GSA control number and the notation "retransfer" shall be posted in column 1 of the register for the releasing State. Credit entries shall be made in the "Adjustment" column of the releasing State, if applicable, and in the "Allocated To" column of the gaining State or region.

(c) When allocated property is rejected by a State agency, no action shall be taken to remove entries already made in the register. If the property subsequently is reallocated, entries shall be made in the register as specified above for a retransfer action.

(d) An overage or shortage of \$100 or more submitted by a State agency within 90 calendar days of the date of allocation shall be reflected in the register. Enter the applicable GSA control number and a notation of either "overage" or "shortage". Enter the amount of the overage or shortage in the "Adjustment" column for the State to which the property was allocated, taking into consideration any initial adjustments which may have been made in accordance with ch. 2-5h. Credit entries shall be made for shortages and debit entries for overages.

(e) For the purposes of the register, data on allocation of overseas property shall be derived from section B, line 3, of the GSA Form 3040, State Agency Monthly Donation Report of Surplus Personal Property (figure 2-9.5 [Link](#)), submitted by the appropriate State. Since overseas property allocations are

not to be charged against a State's entitlement, enter the notation "Overseas" in column 1 of the register and the total acquisition cost in both the "Allocated To" and "Adjustment" columns.

b. Closing out the register.

(1) Since interstate and interregional allocations are recorded both on the register for the State in which the property was located and on the register for the State to which the property was allocated, care should be taken to ensure that all transactions are entered on each appropriate register for the month during which they occur in order to preclude statistical discrepancies in reports deriving source data from the registers. The register shall be closed out with the end of business on the last workday of each month. Each column on each page shall be added and totals reflected at the bottom of the page and then carried forward to the top of the next page. Grand totals for a month's activity shall be entered on the last page of the register for each State.

(2) The closed registers shall be processed in accordance with the HB, GSA Records Maintenance and Disposition System, ch. 33A90, (OAD P 1820.2), upon completion of the monthly reports. Registers for the succeeding month shall be opened as of the first workday of the month.

4. Statistical reporting by the State agencies to the regional offices.

a. Each State agency shall submit to the appropriate GSA regional office a monthly report on GSA Form 3040, State Agency Monthly Donation Report of Surplus Personal Property (OMB Approval No. 29-RO247), in accordance with 41 CFR 101-44.4902-3040-1. GSA regional offices shall review and evaluate the donation data on a monthly basis with respect to the State agencies' performance in effecting fair and equitable distribution, in carrying out and reporting on State agency reviews as provided in ch. 2-13, and in evaluating State agency screening of Federal installations as provided in ch. 2-7.

b. Each non-allocating regional office shall forward one copy of each State report to its allocating office and to the Central Office Donation Division (FWD). Allocating offices shall forward one copy of each report submitted by States within their regional boundaries to FWD. Information from certain sections of GSA Form 3040 shall be used by the allocating office to complete portions of GSA Form 3069, Surplus Property Activity Report, as specified in par. 5. Each allocating regional office shall evaluate the donation data provided by each State agency in the allocating area in carrying out its allocating responsibilities in accordance with ch. 2-5.

c. Data provided by State agencies on GSA Form 3040 shall be accumulated and analyzed by the Central Office and used in the preparation of the annual and biannual reports to Congress as well as in evaluating regional and State agency performance in carrying out their donation responsibilities.

5. Statistical reporting by the allocating offices.

a. General. In order to develop entitlement data by State as a means of determining the equitable distribution of surplus property, each allocating office shall prepare the statistical reports specified in this paragraph.

b. GSA Form 3068, Report on Property Disposition and Sources. A monthly report on GSA Form 3068 (figure 10-5.1 [Link](#)) shall be prepared for each State within the allocating office's area of responsibility. Instructions for completion are contained on the forms and all statistical data may be obtained from the appropriate State's allocation control register for the month being reported. The report shall be signed by the allocating office's Personal Property Division Director or his designated representative.

c. GSA Form 3069, Surplus Property Activity Report (RCS FS-334). A monthly report on GSA Form 3069 (figure 10-5.2 [Link](#)) shall be prepared for each region within the allocating office's area of

responsibility. The form shall be completed as follows:

(1) Section I - State Disposition and Sources Data.

- (a) Column (a) - Enter all States and territories in the region in alphabetical order.
- (b) Column (b) - Enter the totals from section I, line 1 of GSA Forms 3068 for the listed States.
- (c) Column (c) - Enter the totals from section I, line 3 of the GSA Forms 3068 for the listed States.
- (d) Column (d) - Enter the totals from section I, line 4, column (c) of the GSA Forms 3068 for the listed States.
- (e) Column (e) - Enter the totals from section 1, line 5, column (c) of the GSA Forms 3068 for the listed States.
- (f) Column (f) - Enter the totals from section 11, line 4, column (c) of the GSA Forms 3068 for the listed States.
- (g) Column (g) - Enter the totals from section 11, line 5, column (c) of the GSA Forms 3068 for the listed States.
- (h) Column (h) - Enter the totals from section II, line 1 of the GSA Forms 3068 for the listed States.
- (i) Column (i) - Enter the total from section II, line 2 of the GSA Forms 3068 for the listed States.
- (j) Column (j) - Enter the year-to-date totals as reported in column (i) of all GSA Forms 3068 prepared during the current fiscal year for each listed State.
- (k) Column (k) - Enter the totals from section B of the GSA Forms 3040, State Agency Monthly Donation Report of Surplus Personal Property, submitted by the appropriate State agencies for the month being reported.
- (l) Column (l) - Enter the totals from section C of the GSA Forms 3040 submitted by the appropriate State agencies for the month being reported.

(2) Section II - Consolidated Interregional Allocations.

- (a) Column (a) - Enter, by region, the total acquisition cost of property allocated to other regions, derived by compiling the data applicable to each region as reflected in section I, line 5, column (b) of the GSA Forms 3068 for the listed States.
- (b) Column (b) - Enter, by region, the total acquisition cost of property allocated from other regions to States within the region, derived by compiling the applicable data from section II, line 5, column (b) of the GSA Forms 3068 for the States within the region being reported.

(3) Section III - Regional Office Actions.

- (a) Line 1 - Indicate the total number of SF's 123 received from the State agencies for property located in the region being reported. This statistic shall include single State applications and

those SF's 123 processed as freeze actions.

(b) Line 2 - Enter the number of postings in the "Allocated To" column under each State heading in the allocation control registers applicable to the region for which the report is being prepared. The number of entries in the "Allocated To" columns for other regions shall also be included. If the postings to the "Allocated To" columns for other regions include property allocated to more than one State, the total number of State agencies receiving allocations shall be counted. Postings to the register made as a result of allocations received from other regions shall not be counted.

(c) Line 3 - Enter the total number of SF's 123 approved by the allocating office and subsequently forwarded to holding activities located in the region for which the report is being prepared. Information copies submitted to any office shall not be counted.

(4) All columns on GSA Form 3069 shall be totaled where indicated. The totals of columns I(c) , I(f) , I(g) , and overseas property allocations within the region should equal column I(h). The total of column I(e) should equal the total of column II (a); the total of column I(g) should equal the total of column II(b); and the total of column I(d) should equal the total of column I(f) .

(5) Any remarks pertaining to allocations in the region during the month being reported may be recorded in the block provided for this purpose.

(6) The form shall be signed by the allocating office's Personal Property Division Director or his designated representative.

d. Distribution of reports. The allocating office shall submit copies of the reports specified in this section as follows:

(1) Each State agency shall receive one copy of GSA Form 3068 applicable to its State and one copy of GSA Form 3069 for the region in which the State is located.

(2) Each regional office shall receive one copy of the GSA Forms 3068 applicable to the States within its regional area and one copy of the GSA Form 3069 prepared for its regional area.

(3) The Central Office Donation Division (FWD) shall receive one copy of all GSA Forms 3069 prepared by the allocating offices.

6. Office of Management and Budget (OMB) reporting requirement.

a. Pursuant to OMB Circular A-84, GSA is required to submit an annual report on donations to service educational activities (SEA's) and public airports. Figure 10-6 [Link](#) illustrates GSA Form 2476, Report on Donations to Service Educational Activities and Public Airports (RCS FS-261), which will be used by the regional offices to report required information to the Central Office Donation Division (FWD). The report shall be submitted annually, not later than 10 workdays following the end of the fiscal year. Only donations approved during the fiscal year to SEA's and public airports shall be reported.

b. GSA Form 2476 shall be completed as follows:

(1) Cities with a population of 25,000 or more are identified in the 1972 edition of the Department of Commerce publication, County and City Data Book. The total acquisition cost of all donations to SEA's and public airports located within a city of 25,000 or more inhabitants shall be combined and entered in column (b). The name of the State shall be entered in column (c) and the name of the county in column (d). Enter the name of the city in column (e).

(2) Donations to SEA's and public airports not located in a city with a population of 25,000 or more shall be combined by county, and the total acquisition cost of all approved donations shall be

entered in column (b). The name of the State shall be entered in column (c) and the name of the county entered in column (d). County names shall be developed from the information in block 13(a) of the Standard Form 123 and will conform to the names listed in the current GSA publication, Worldwide Geographical Location Codes. Independent cities shall be entered by name in column (d) and treated as a county.

(3) Entries for donees in the Virgin Islands, Puerto Rico, American Samoa, and Guam shall be made only by acquisition cost (column (b)) and name of the possession (column (c)). Entries for donees in Alaska shall be made only by acquisition cost (column (b)) and by the name of the election district in which the SEA or public airport is located, which shall be entered in column (d).

(4) No entries shall be made by regional offices under "Code" (column (a)). Appropriate coding shall be entered by the Central Office.

c. Care must be exercised in preparing this report since the total acquisition cost must agree with the totals shown in the TOPPER System reports referenced in par. 2.

7. Civil Rights Act of 1964 reporting requirement.

a. The Attorney General has established a reporting system relating to the implementation of the Civil Rights Act of 1964. A number of programs appear on the Title VI program list for the General Services Administration; however, only the following are applicable to the donation of surplus personal property (identifying letters are those given on the complete program list):

(1) A - Donation of property to the States and local organizations for public purposes and for other purposes.

(2) C - Disposal of property for public airport purposes. FAA is responsible for compliance and enforcement; GSA will report only assurances.

(3) F - Donation of property to public bodies.

(4) J - Donation of property to the American Red Cross.

(5) L - Donation of forfeited distilled spirits, wine, and malt beverages to eleemosynary institutions. Since this program is controlled by GSA Region 3, a report will be made only by Region 3.

b. Reports shall be submitted quarterly to the Central Office Donation Division (FWD) not later than the seventh workday following the end of each quarter.

c. Reports shall be completed in accordance with instructions issued to the regional FSS offices by the Contract Compliance Division, Office of General Counsel (LH).

TABLE OF CONTENTS

CHAPTER 11. NONCOMPLIANCE

Paragraph

Paragraph

Titles

	<u>Numbers</u>	
Scope.....		
.....	1	
Definition of noncompliance.....		
2		
Temporary deferment.....		
3		
State agency and regional office responsibilities.....		
4		
Use restrictions.....		
..	5	
Utilization review.....		
6		
Disposition of recovered property.....		
7		
Actions of noncompliance.....		
8		
Investigations and documentation.....		
9		
Reports.....		
.....	10	
Follow-up action.....		
11		
Deposit of funds.....		
12		
Reimbursement to donees.....		
13		
Payments from the suspense account to the miscellaneous receipts account.....	14	
Funds retained by the State agency.....		
15		

Figure 11-6.	GSA Form 3396, Report of Compliance Activity
Figure 11-10.1.	Instructions for preparing GSA Form 3396
Figure 11-10.2.	GSA Form 9075, Quarterly Compliance Activity Summary
Figure 11-10.3.	Instructions for preparing GSA Form 9075
Figure 11-12.1.	GSA Form 687, Register of Remittances Received
Figure 11-12.2.	DPD Format 1, Remittance Transmittal
Figure 11-13.	DPD Format 2, Request for Refund or Payment

CHAPTER 11. NONCOMPLIANCE

1. Scope. This chapter provides information, guidelines, and procedures for correcting noncompliance of surplus personal property transferred to State agencies for donation to public agencies and other eligible nonprofit, tax-exempt activities within each State.

2. Definition of noncompliance. For the purpose of this chapter, the term "noncompliance" shall have the meaning set forth in this paragraph. Noncompliance refers to cases involving the misuse or mishandling of donated surplus personal property conveyed under applicable provisions of section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, and the implementing regulations and procedures of the General Services Administration, when there is evidence or allegations of:

- a. Property not placed in use by the donee for the purposes for which donated within 1 year of donation;
- b. Property no longer needed by the donee during the period of restriction;
- c. Unauthorized use of property by the State agency or donee during the period of restriction;
- d. Unauthorized sale, disposal, cannibalization, or destruction of property by the State agency or donee during the period of Federal restriction;
- e. Failure by a State agency or donee to comply with the terms, conditions, reservations, or restrictions imposed on the use of property or special handling conditions or restrictions placed on property;
- f. Unauthorized acquisition or use of the property by an ineligible recipient;
- g. Damage to or loss or theft of property while property is in the possession of either the State agency or donee during the period of restriction imposed by the Act, GSA, or the State agency;
- h. Donation to an eligible donee who later became ineligible or a donee erroneously determined eligible at time of application;
- i. A State agency operating in nonconformity with its approved State plan of operation, State laws, or Federal regulations;
- j. Donees receiving property in excess of needs;
- k. Improper administration of funds; or
- l. Fraud, which is defined as "an intentional perversion of truth for the purpose of inducing another in reliance upon it to part with some valuable thing belonging to him or to surrender a legal right; a false representation of a matter of fact, whether by words or conduct, by false or misleading allegations or by concealment of that which should have been disclosed which deceives and is intended to deceive

another so that he shall act upon it to his legal injury."

3. Temporary deferment.

a. "Temporary deferment" means the action taken by the State agency to temporarily defer making Federal surplus property available to a donee.

b. A temporary deferment of donations may be initiated by the State agency when there are indications of noncompliance, fraud, or other situations, such as changes in the donee's eligibility status. In addition to initiation by the State agency, temporary deferment may be requested, in writing, by GSA or the donee.

c. The State agency shall notify, in writing, the donee and the GSA regional office of any temporary deferment. Upon resolution of the situation that invoked the temporary deferment, the State agency shall notify, in writing, the donee and the GSA regional office of the cancellation of the temporary deferment.

4. State agency and regional office responsibilities.

a. State agency responsibilities.

(1) The State agency has compliance responsibilities for personal property donated to public agencies and nonprofit, tax-exempt activities pursuant to the Federal Property and Administrative Services Act of 1949, as amended. Under this Act, and consistent with the provisions of FPMR 101-44.208 and the State plan of operation, the State agency is also authorized to convey conditional title to property donated, require donee certifications and agreements, and to impose, modify, or remove restrictions on the use of donated property, other than those imposed by the Act or GSA. When donating special types of property, the State agency shall require the authorized representative of the donee institution or organization to certify that the property will be properly safeguarded, used in accordance with the letter of intent and any special handling or use limitations imposed by GSA, and dispensed and administered under competent supervision. Whenever the State agency is in doubt or has any question relating to the interpretation and/or application of any special handling restrictions imposed by GSA, it shall request, in writing, an explanation thereof from the GSA regional office. State agencies shall conduct an affirmative compliance program in accordance with section 203(j)(4) of the Act and their State plan of operation, and report all noncompliance activity to GSA.

(2) The State agency, as a bailee, is responsible for surplus personal property transferred to it by GSA from the time it is released to the State or to the transportation agent designated by the State, until the time the eligible donee executes the certifications and agreements required by the State agency and has taken possession of the property. Within 15 calendar days following the completion of the State agency inventory, a listing of overages and shortages shall be forwarded to the regional office along with a report of actions taken by the State agency to reconcile and correct inventory differences. The State agency may be liable to the Government for Federal surplus personal property transferred to the agency that cannot be accounted for when the inventory is taken, absent any lawful excuse for nondelivery or nonaccountability. Regional offices shall take whatever actions are necessary to correct reported inventory differences.

(3) In enforcing compliance with the terms and conditions imposed on donated property, the State agency shall coordinate with GSA before undertaking the sale of, or making demand for payment of the fair value or fair rental value of donated property which (a) is subject to any special handling condition or use limitation imposed by GSA or (b) has not been placed into use by the donee, for the purposes for which acquired, within 1 year of donation, or which has not been used for these purposes for 1 year after being placed in use. The regional Personal Property Division shall advise the State agency, in writing, of the compliance action that must be taken to satisfy the interest of the Federal Government.

b. Regional office responsibilities.

(1) Each regional office shall ensure that State agencies within their areas are operating in compliance with the Act and their approved State plan of operation. Regional offices shall monitor the allocation of surplus personal property among the States to ensure that over-allocations are not made and that excessive quantities of property are not approved for transfer to a State agency or donee. Regional offices shall be alert for evidence of fraud, misappropriations, theft, or embezzlement. Overage and shortage reports covering property approved for donation shall be continually reviewed to ascertain the causes therefor and if a problem exists.

(2) Regional offices shall pay special attention to all requests for those types of property requiring special handling, certifications, or use limitations, as well as property with a high acquisition cost. Prior to any allocation and transfer approval, the regional office shall require the State agency or donee to provide essential background information and a detailed justification to warrant the transfer. The regional office shall also obtain from the State agency or donee a certification that adequate facilities and personnel are available to meet storage, security, usage, and safety requirements applicable to the property requested. In those cases where regional offices propose to require special handling or use limitations on property not covered by existing regulations or directives, the regional office shall contact the Central Office prior to the imposition of the special handling or use limitations. The regional office shall prepare and execute a special conditional transfer document incorporating the special terms and conditions and special handling or use limitations. The regional office shall maintain a record, by State, of the allocations of property requiring special handling or use limitations for use when conducting State agency reviews. This record may also be made available to State agencies for use in conducting donee utilization reviews.

5. Use restrictions. All property, regardless of acquisition cost, must, by law and Federal regulations, be placed in use within a period of 1 year from receipt and continue to be used for 1 year thereafter for the purpose for which acquired. Property categorized as having special handling conditions or use limitations may require a restriction relating to an inherent condition or characteristic of the property itself. Such a restriction would run in perpetuity with the property. The mere passage of a year of use would not change the inherent aspect of the property.

6. Utilization review.

a. State agencies, pursuant to their State plan of operation, shall make utilization visits or obtain written utilization reports from donees giving the date donated property was placed into proper use and the nature of its continuous use during the period of restriction.

b. Where it is established, as a result of a visit to the donee institutions, that the property is being used in accordance with imposed terms and conditions, no report is necessary. However, the files should be documented showing the property is being properly used.

c. Where information is received by the State agency which indicates or alleges that donated property may have been misused or mishandled, a report thereon shall be made immediately by the State agency to the regional Personal Property Division. Upon receipt of the report, the regional Personal Property Division shall prepare a GSA Form 3396, Report of Compliance Activity (fig. 11-6 [Link](#)). Upon request by the regional Personal Property Division, the State agency shall make appropriate reviews of alleged noncompliance of donated surplus personal property and report its findings to the regional office. The regional Personal Property Division shall then take appropriate action.

7. Disposition of recovered property.

a. The State agency shall implement procedures, as required by the terms and conditions of the donation distribution document, for returning donable property to the State agency for further distribution when the property has not been placed into use for the purposes for which it was donated within 1 year of

donation or ceases to be needed or used by the donee for eligible purposes within 1 year after being placed into use, or while it is subject to any special handling condition or use limitation imposed by GSA.

b. Personal property items returned to a State agency by a donee shall be redistributed by the State agency to other donees in the State or otherwise transferred or disposed of in accordance with the provisions of the State plan of operation.

8. Actions of noncompliance.

a. In cases involving allegations or indications of fraud, the procedures set forth in par. 9 shall be followed.

b. The following administrative actions shall be taken to close all other noncompliance cases.

(1) Whenever possible and practicable, the property shall be placed into proper use by the present donee or transferred to another eligible donee.

(2) When the property cannot be immediately placed into proper use or transferred to another eligible donee, it shall be returned to the State agency distribution center. If circumstances make this impracticable, or there is no other provision in the State plan of operation covering the situation, GSA regional office approval of further disposition action shall be obtained by the State agency.

(3) When property is found to be improperly used by the donee, demand will be made of the ineligible recipient or eligible donee to pay the General Services Administration, for deposit to the U.S. Treasury, the fair rental value for the time the property was not in compliance.

(4) When a determination is made by a State agency that an institution or organization previously determined eligible for the donation of surplus personal property was, in fact, never eligible, it is the responsibility of the State agency to terminate the donation of surplus personal property to that organization and to take whatever action is necessary to recover all surplus personal property distributed to the institution or organization.

(5) When a determination is made by a State agency that an institution or organization previously determined eligible for the donation of surplus personal property later becomes ineligible, it is the responsibility of the State agency to terminate the donation of surplus personal property to that organization and to take whatever action is necessary to recover such surplus personal property already distributed to the institution or organization, which was received while eligible and is still under restrictions. All Federal surplus property received by the institution or organization after it becomes ineligible must be returned.

(6) When it is impossible or impracticable to have the property put into eligible use or returned to the State agency because it has been improperly disposed of or consumed, the regional Personal Property Division shall demand, for the benefit of the United States, the gross proceeds realized from the disposal or the fair market value of the property, whichever is greater, at the time of the disposal or at the time it was placed into ineligible use. The donee shall not be entitled to any reimbursement for costs incurred in acquiring or rehabilitating property which was disposed of without authority. It may be considered impossible or impracticable to have the property placed into eligible use or returned to the State agency when:

(a) The property has been damaged or worn out to the extent that it does not have a useful operating life;

(b) The property has been sold or otherwise disposed of and its whereabouts is unknown;

(c) The property has been consumed;

(d) The property has been rehabilitated or installed in such a way that to remove and recapture it would cause serious damage to the property and would, therefore, be to the disadvantage of the Government and the donee; or

(e) The cost of returning the property to the State agency or distributing it to another donee would exceed the value of the property involved.

9. Investigations and documentation.

a. Where there are allegations or indications of fraud, a report with all known information shall be made immediately by the State agency and/or regional Personal Property Division. Except in instances involving Federal employees, the State agency shall report such allegations to their appropriate regional Personal Property Division. When a Federal employee is involved, the State agency shall immediately report the facts directly to the regional Office of Investigations. The regional Personal Property Division shall report all allegations or indications of fraud, and all noncompliance cases enumerated in subpars. 2d, e, f, and h, to the Office of the Inspector General through the appropriate regional Office of Investigations. Any additional correspondence or documentation received by the regional office related to any noncompliance case previously reported shall be forwarded to the regional Office of Investigations. Upon receipt of the report from the regional Personal Property Division in which fraud is alleged or indicated, the regional Office of Investigations will evaluate the circumstances for a determination whether the matter warrants investigation by the Office of the Inspector General. The regional Office of Investigations will provide the regional Personal Property Division with a written determination within 15 calendar days from date of receipt. A report shall be made by the regional Personal Property Division to the Central Office, using GSA Form 3396 (fig. 11-6 [Link](#)), together with all documentation and correspondence.

b. When a State agency learns of a theft of Federal property under its jurisdiction, it shall immediately report all available information to the local State law enforcement officials, the local FBI, and the regional Personal Property Division by telephone and promptly confirm the report in writing. The State agency shall keep the regional Personal Property Division informed as the case is developed. Upon receipt of the telephone information, the regional Personal Property Division shall immediately inform the regional Office of Investigations. The regional Personal Property Division shall forward a copy of the report on GSA Form 3396, together with all supporting documentation, to the regional Office of Investigations and the Central Office (DPD).

c. While a case is under investigation by the FBI or regional Office of Investigations, no independent investigation shall be conducted by employees of GSA or the State agency. The regional Personal Property Division shall offer their cooperation and assistance to the regional Office of Investigations, local FBI office and/or the U.S. Attorney, as appropriate, in any investigation or legal actions involving donation program property. Contact with the U.S. Attorney's office shall be handled by the Inspector General's office.

d. When a report on a noncompliance case is received in the Central Office from the Office of Inspector General, the FBI, or the Department of Justice, it will normally be sent immediately to the appropriate Regional Personal Property Division Director for his information and subsequent return to the Office of Inspector General through the Central Office. Neither the report nor its contents shall be divulged to anyone other than an employee of GSA who has a legitimate need for the information. The report itself must not be duplicated without permission from the Office of Inspector General or the FBI. Excerpts from the report may be made for the regional Personal Property Division files. Where any information, such as names of informants, is intended to be confidential, such confidentiality shall be respected.

e. Where noncompliance allegations have been made against a donee, and the donee is to be investigated, any request for further donations of property to the donee under investigation may be

temporarily deferred until such time as the investigation has been completed and a determination is made that allegations are unfounded. When deferral action is warranted, the appropriate Personal Property Division shall request the State agency, in writing, to temporarily defer the donation of property to the donee. The State agency shall notify the donee, in writing, of the temporary deferment, until completion of the investigation.

f. On those cases which, after referral to the Inspector General, the Inspector General reports to the regional Personal Property Division that the U.S. Attorney has declined to prosecute; or that the FBI investigation is no longer being pursued due to lack of evidence; or the regional Office of Investigations determines there is insufficient evidence to justify further investigation; or upon notification from the Central Office, Office of General Counsel that no further investigation or criminal action is warranted,, the regional Personal Property Division shall take such remedies as required (see subpar. 8b) to resolve any administrative actions remaining to close the case.

10. Reports.

a. The regional office shall keep the Central Office advised of all compliance activity by use of GSA Form 3396, Report of Compliance Activity (fig. 11-6 [Link](#)). Instructions for preparing and distributing GSA Form 3396 are found in fig. 11-10.1 [Link](#). Noncompliance cases shall be controlled by a noncompliance case number, and it is important that all means of communication bear this number. The noncompliance case number consists of four parts, as illustrated below. Part 1 is the regional office filing the report, preceded by the letter "R." Part 2 is the last two numbers of the fiscal year in which the case was opened. Part 3 is the abbreviation of the State in which the case originated. Part 4 is the case number for that State for the current fiscal year. For example, if two cases had been previously opened in Georgia in fiscal year 1981, the next one to be opened in Georgia in fiscal year 1981 would be R4-81-GA-3.

Region		FY		State		Case No.	
R4	-	81	-	GA	-	3	

b. A quarterly report summarizing compliance activity shall be distributed by the Central Office to the regional offices using GSA Form 9075, Quarterly Compliance Activity Summary (fig. 11-10.2 [Link](#)). Instructions for preparing and distributing GSA Form 9075 are found in fig. 11-10.3 [Link](#). Upon receipt, regional offices shall check it against their records and, within 15 calendar days therefrom, inform the Central Office of any discrepancies. Negative reports are required. The coordination of compliance activities will ensure regional and Central Office program officials that all compliance activity is being completed within a satisfactory time frame.

11. Followup action. Once noncompliance cases are opened, they must be aggressively pursued until they are satisfactorily closed. Compliance actions are to be pursued by the regional office, and status reports are to be made to the Central Office on all open noncompliance cases at the end of each quarter. All reports must be mailed in time to reach the Central Office no later than the 15th of the month following the end of the quarter. The regional office shall contact the regional Office of Investigations before issuing the status report for the latest status of each case. They shall also contact the State agency for the latest status of cases that are being settled administratively. Under normal circumstances, noncompliance cases must be closed within 90 calendar days. A noncompliance case may not be considered closed by the regional office until funds for the case, less all authorized reimbursements, have been transferred to the miscellaneous receipts account of the U.S. Treasury.

12. Deposit of funds.

a. Funds collected by the State agency from enforcement of noncompliance are to be remitted promptly by the State agency to the GSA regional office for deposit in the Treasury of the United States in accordance with FPMR 101 44.208(j). All payments must be in the form of certified checks, money orders, cashier's checks, or State warrants made payable to the GSA.

b. The regional office shall maintain a register of all remittances received. The GSA Form 687, Register of Remittances Received (see fig. 11-12.1 [Link](#)), should be used for this purpose with minor modifications. Remittances should be listed and numbered numerically in the order received, starting with "1" at the beginning of each fiscal year. A column "Noncompliance Case Number" should be added to the right margin to identify deposits or refunds involving a noncompliance case.

c. DPD Format 1, Remittance Transmittal (see fig. 11-12.2 [Link](#)), will be used to transmit each remittance to the regional Finance Division for appropriate deposit. If the case is in litigation, if it is a performance deposit, or if it is a sale or other disposal case where reimbursable investments or expenses must be paid later, the remittance must be deposited in Suspense Account No. 47X3875. All other deposits shall be designated for deposit into the Treasury of the United States, Miscellaneous Receipts Account No. 47-2649. The regional office must furnish a copy of all remittance transmittals to the Central Office Donation Division (FMD).

13. Reimbursement to donees. (See FPMR 101-44.208(k).) DPD Format 2, Request for Refund or Payment (see fig. 11-13 [Link](#)), shall be used when requesting the regional Finance Division to issue a check for refund of all or any part of a performance deposit, or for payment of authorized reimbursement or refunds from the suspense account after a noncompliance case is resolved. The regional office must furnish a copy of this report to the Central Office Donation Division (FMD).

14. Payments from the suspense account to the miscellaneous receipts account. After all authorized refunds or payments of reimbursable expenses have been made from specific deposit of funds in the suspense account for a particular case, the regional Personal Property Services Branch will use DPD Format 2, Request for Refund or Payment, advise the regional Finance Division to transfer from Suspense Account No. 47X3875 to Miscellaneous Receipts Account No. 47-2649 the balance remaining in the suspense account of the deposit made in connection with the particular case, sale, etc., appropriately described or identified. The regional Personal Property Services Branch must furnish a copy of this report to the Central Office Donation Division (FMD).

15. Funds retained by the State agency. Funds derived by the State agency from any noncompliance action involving any terms and conditions imposed on the donee by the State agency may be retained and used by the State agency as provided for in its plan of operation.

TABLE OF CONTENTS

CHAPTER 12. FOREIGN GIFTS AND DECORATIONS

Paragraph
aph
Titles
rs

Paragr

Numbe

General.....	1
Information of availability.....	2
Requests.....	3
Allocations.....	4
Approvals.....	5
Conditions of donation.....	6
Reports.....	7

CHAPTER 12. FOREIGN GIFTS AND DECORATIONS

1. General.

a. This chapter provides procedures governing the donation of foreign gifts and decorations to public agencies and eligible nonprofit, tax-exempt activities. Such donations are authorized by 5 U.S.C. 7342 and are made pursuant to the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

b. Gifts and decorations will be donated for public display or other purposes approved by GSA. Under no circumstances will a gift or decoration be made available to a State agency for merchandising from its distribution center.

c. Foreign gifts and decorations will be made available for donation purposes by the Central Office Property Management Division (FBP). Donations will be made in accordance with Federal Property Management Regulations (FPMR) 101-44, except as otherwise provided in FPMR 101-49.3 and this chapter.

2. Information of availability. FBP will furnish a listing of available gifts and decorations to the regional offices for dissemination to the State agencies or will offer items direct to the States. State agencies will be responsible for disseminating information on the availability of gifts and decorations to eligible donees in their State.

3. Requests.

a. Requests for donation of gifts and decorations to public agencies and eligible nonprofit, tax-exempt activities must be supported with a letter of intent, signed and dated by the authorized representative of the proposed donee, setting forth a detailed plan of utilization for the property. Letters of intent must provide the following information:

(1) Identification of the applicant, including its legal name and complete address, its status as a public agency or as an eligible nonprofit, tax-exempt activity, and the name, title, and telephone number of its authorized representative;

(2) Description of the gift or decoration requested, including its estimated or appraised value; and

(3) Details of the planned utilization of the gift or decoration, including where, how, and for what

period of time (in years) the item will be used for the purpose for which it is being acquired.

b. The State agency must provide FBP with the original and two copies of each letter of intent received. In cases of more than one request for the same item, the State agency shall rank the need and utilization for items, as described by the letter of intent, before submission to FBP.

4. Allocations. Allocation of gifts and decorations will be made on a fair and equitable basis for the maximum public benefit. FBP shall consider the following when effecting allocation and transfer of gifts and decorations among the States:

a. Request by the recipient of the gift or decoration that it be donated to a specific donee. Such a request must be supported by a letter from the recipient outlining any special significance of the gift or decoration to the proposed donee (see FPMR 101-49.303);

b. Period of time specified in the donee's letter of intent for keeping the property in use for the purpose for which it is being acquired;

c. Need and utilization for the gift or decoration, as described in the letter of intent;

d. Quantity and value of the gift or decoration;

e. Prior receipt of similar item; and

f. Other criteria as deemed appropriate by FBP.

5. Approvals.

a. Upon notification from GSA, the State agency will submit a Standard Form (SF) 123, Transfer Order Surplus Personal Property, to FBP for approval. The SF 123 must be conspicuously marked "FOREIGN GIFTS AND/OR DECORATIONS" and include a certification that donees receiving the property will be required to comply with the provisions of 101-49.304.

b. FBP will furnish the regional office of the State to which the transfer was made with a copy of the approved SF 123 and the letter of intent.

6. Conditions of donation. Donation of gifts and decorations shall be State agency distribution document (see fig.2-9-1 [Link](#)) which contains or incorporates by reference the following special handling conditions and use limitations imposed by GSA on the donation of gifts and decorations:

a. The donee shall display or use the gift or decoration in accordance with its letter of intent, as may be modified to meet GSA requirements.

b. The donee shall comply with all additional conditions covering the handling and use of any gift or decoration imposed by GSA.

c. The donee shall allow the right of access to the donee's premises at reasonable times for inspection of the gift or decoration by duly authorized representatives of the State agency or the U.S. Government.

d. During the period of restriction, the donee shall not sell, trade, lease, lend, bail, encumber, cannibalize, or dismantle for parts or otherwise dispose of the property; or remove it permanently for use outside the State; or transfer title to the gift or decoration directly or indirectly; or do or allow anything to be done that would cause the gift or decoration to be seized, taken into execution, attached, lost, stolen, damaged, or destroyed.

e. Upon the donee's failure to comply with any applicable condition or limitation during the period of restriction, the State agency may demand return of the gift or decoration and, upon demand, title and right to possession of the gift or decoration shall revert to the U.S. Government. In this event, the donee shall return the gift or decoration in accordance with instructions furnished by the State agency, with costs of transportation, handling, and reasonable insurance during transportation to be paid by the donee or as directed by the State agency. If the gift or decoration is lost, stolen, or cannot legally be recovered or returned for any other reason, the donee shall pay to the U.S. Government the fair market value of the gift or decoration at the time of its loss, theft or at the time that it became unrecoverable as determined by GSA. If the gift or decoration is damaged or destroyed, the State agency may require the donee to (1) return the item and pay the difference between the fair market value of the item if it were not damaged or destroyed and the fair market value of the damaged or destroyed item, or (2) pay the fair market value of the item if it were not damaged or destroyed, as determined by GSA.

7. Reports. Transfers for donations will be entered in the statistical recording system as reportable property transactions.