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Personal Property Disposal Guide

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Preface

The federal government purchases more supplies and materials than any other entity in the world and confronts the enormous challenge of disposing of excess and surplus personal property on a continuous basis. Effective and efficient utilization and disposal of government-owned personal property is one of the most important phases in the Federal Property Management Program (hereinafter referred to as "Program"), as mandated in Title 40, USC Public Buildings, Property, and Works, Chapter 5 (40 USC 501 et. seq.).

The Federal Management Regulation (FMR), Subchapter B-Personal Property 41 Code of Federal Regulations [CFR] 102-36, requires that executive agencies to the maximum extent practicable fill requirements for personal property by using existing agency property or by obtaining excess property from other federal agencies in lieu of new procurements. As a result, federal property managers save millions of taxpayer dollars each year by acquiring and using excess personal property.

The Program is one of the largest property management programs in the federal government. This program includes the following:

- Internal screening and reassignment of excess property to other activities within a federal agency where such property is no longer required for the purposes of the appropriation used to make the purchase.
- Utilization of excess personal property under the control of any federal agency by other federal agencies when such property is no longer required for the needs of the agency (in possession of the property), as determined by the agency head or designee.
- Donation or sale of excess personal property no longer required by federal agencies and designated as surplus by GSA.
- Abandonment or destruction of government-owned personal property that either has no value or the estimated cost of its continued care and handling exceeds the estimated proceeds from sale.

This publication serves as an index and quick reference guide as it relates to personal property management provisions in the FMR and the federal Property Management Regulation (FPMR). This guide is provided to assist those individuals who directly or indirectly acquire, reassign, utilize, donate, sell or otherwise dispose of personal property within their respective federal agencies. This guide is not all inclusive, and users are encouraged to refer to the cited regulations as referenced for a more detailed and comprehensive coverage of specific personal property disposal policies and procedures.

For questions regarding topics found in this guide, contact your respective GSA Regional Personal Property Management Office at www.gsa.gov/ppmo or Area Property Officer (APO) at www.gsa.gov/apo.

NOTE: Use of the pronoun "you" (or its variant as in the word "your") in this guide refers to your respective agency.

Utilization and Disposal Terminology

The following definitions are provided for terms most frequently used throughout the program:

Acquisition Cost The original cost to the government of an item of personal property as it is recorded in the financial and accounting records of the holding agency.

Activity Address Code (AAC) A distinct six-position alphanumeric code assigned to identify specific units, activities, or organizations that have the authority to requisition and receive excess or surplus property.

Area Property Officer (APO) APOs are field representatives with assigned geographic areas within the United States and its territories. APOs assist federal agencies, nonfederal recipients and State Agencies for Surplus Property (SASPs) with the screening, acquisition, donation and sale of property.

Demilitarization The act of destroying the military capabilities inherent in certain types of equipment or material. Such destruction may include deep sea dumping, mutilation, cutting, crushing, scrapping, melting, burning, or alteration so as to prevent the further use of the item for its originally intended purpose.

Disposal The processes that will result in the removal of personal property from official records by the retransfer, donation or sale of usable excess and surplus property and the abandonment or destruction (or other actions) of nonusable property.

Donation Refers to transfers of property under the Federal Surplus Personal Property Donation Program, whereby surplus property can be donated to state and local government agencies, municipal organizations and eligible nonprofit organizations through the appropriate State Agency for Surplus Property (SASP). (See definition of "surplus personal property.") Surplus property may also be transferred to public airports if the Department of Transportation (DOT) considers the property appropriate for airport purposes and GSA approves the donation.

Excess Personal Property Any personal property under the control of any federal agency that is no longer required for that agency's needs, as determined by the agency head or designee.

Federal Recipient Any executive agency or any establishment in the legislative or judicial branch of the government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his/her direction).

Line Item A single line entry on a property report which indicates a quantity of personal property located at any one activity having the same description, condition code, and unit cost.

MILSTRIP Military Standard Requisitioning and Issue Procedures (as set forth in DoD 4000.25-1-M).

National Utilization Officer (NUO) An agency designated property management official whose duties consist of broad responsibilities related to the utilization of property. Additionally, NUOs provide approval for access to GSAXcess® to users within their respective federal agencies, nonfederal recipients and contractor employees.

Nonfederal Agency An activity that receives excess property through a federal sponsor that is neither a federal agency nor a donee (e.g., Bureau of Indian Affairs and/or the Department of Health and Human Services' Indian Health Service).

Personal Property Any property, except real property (buildings/land). The term excludes records of the federal government, and naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers, and submarines.

State Agency for Surplus Property (SASP) The agency designated under state law to receive federal surplus personal property for distribution to eligible donees within the state as provided for in 40 USC 549.

Surplus Personal Property Excess personal property no longer required by federal agencies as determined by GSA.

Utilization The identification, processing, reporting and transfer of excess personal property among federal agencies.

Personal Property Excess Utilization
(41 CFR 102-36)

Title 40, USC Public Buildings, Property, and Works, Subchapters II and III (40 USC 521 through 559) and the Federal Management Regulation (FMR) require that executive agencies, to the maximum extent practicable, fill requirements for personal property by using existing agency property or by obtaining excess property from other federal agencies in lieu of new procurements. Agencies that aggressively seek excess property for further federal utilization save substantial amounts of procurement dollars.

Excess Property

Every kind of personal property purchased by the government may become excess property. However, this guide applies to excess personal property only, not real property. Personal property does not include records of the federal government, and naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers and submarines. Personal property items under the control of federal agencies become "excess" when determined to be no longer required for agency needs by the agency head or designee. Upon completion of internal screening, excess property is reported to GSA for possible transfer and utilization by other federal agencies or authorized recipients.

Each executive agency is required by law in accordance with 40 USC 524(a) to:

(1) Maintain adequate inventory controls and accountability systems for property under its control;

(2) Continuously survey property under its control to identify excess property;

(3) Promptly report excess property to the Administrator of General Services (as in GSA);

(4) Perform the care and handling of excess property; and

(5) Transfer or dispose of excess property as promptly as possible in accordance with authority delegated and regulations prescribed by the Administrator of General Services (as in GSA).

Each executive agency, as far as practicable, and in accordance with 40 USC 524(b) shall...

(1) Reassign property to another activity within the agency when the property is no longer required for the purposes of the appropriation used to make the purchase.

(2) Transfer excess property under its control to other federal agencies and to organizations specified in section 40 USC 321(c) as follows:

- Mixed-ownership government corporations;
- The municipal government of the District of Columbia; and
- A requisitioning nonfederal recipient when the function of a federal agency authorized to procure for it is transferred to the Administration.

(3) Acquire excess property from other federal agencies.

Who Can Acquire Excess Personal Property? (41 CFR 102-36.60)

The following are eligible to acquire excess personal property:

- Federal agencies (for their own use or their authorized contractors, cooperatives, and project grantees);
- The Senate;
- The House of Representatives;
- The Architect of the Capitol and any activities under his direction;
- The DC Government; and
- Mixed-ownership government corporations (Eligible mixed-ownership government corporations are those with combined government and private equity and are listed in 31 USC 9101.)

How to Acquire Excess Property (41 CFR 106-36.90, 102-36.265)

The following methods of locating excess personal property are available:

(a) Federal agencies, nonfederal recipients or surplus customers (i.e., SASPs and public airports) may locate excess property using GSAXcess®, however, this site is not intended for use by the general public. For more information about GSAXcess®, see the related topic area in this guide or visit the website at www.gsaxcess.gov.

(b) Submit "Want List" in GSAXcess®.

(c) Check any available holding agency websites (see www.firstgov.gov for a list of federal agency websites).

(d) Conduct onsite screening at various federal facilities. (The screening period for excess personal property is normally 21 days.)

(e) Contact GSA Regional Offices.

Requests for excess property are generally honored on a "first-come, first-served basis." In the event of competing requests, consideration is given to national defense requirements, emergency needs, equitable distribution, transportation costs, avoidance of new procurement, energy conservation, transportation costs, and retention of title in the government. GSA will normally give preference to the agency that will retain title in the government. Requests for property for the purpose of cannibalization will normally be subordinate to requests for use of the property in its existing form. Excess property requested in GSAXcess® by United States Agency for International Development (USAID) for Private Voluntary Organizations (PVOs) under the Grantee program cannot be transferred until any and all donation requirements are met.

Direct Transfer Criteria (41 CFR 102-36.145)

Certain direct transfers of excess personal property may be made among federal agencies without GSA approval in the following situations:

- Excess personal property that has not yet been reported to GSA may be acquired, provided the total acquisition cost of the excess property does not exceed $10,000 per line item. A Transfer Order (SF 122) must be completed for the direct transfer and signed by an authorized official of the receiving agency. The receiving agency must provide a copy of the SF 122 to the appropriate regional GSA office within 10 workdays from the date of the transaction.
- Excess personal property that exceeds the $10,000 per line item limitation may be obtained, provided the requesting (or receiving) agency contacts the appropriate regional GSA Personal Property Management Office for verbal approval of a prearranged transfer first and prior to actual transfer action. The requesting agency must annotate the SF 122 with the name of the GSA approving official and the date of the verbal approval, and provide a copy of the SF 122 to GSA within 10 workdays from the date of the transaction.
- Excess personal property may be obtained directly from other federal agencies without GSA approval when the other agency has statutory authority to dispose of such excess personal property and your agency is an eligible recipient.
- Activities eligible to acquire excess property are subject to the requirement to pay reimbursement costs for excess personal property received under a direct transfer as required in the "Shipping and Transportation Costs" and "Reimbursable Transfers" sections below.

Shipping and Transportation Costs (41 CFR 102-36.75(a))

Transfers between federal agencies are normally made without charge for the property itself except as indicated in the next section entitled "Reimbursable Transfers." However, the requesting agency is responsible for shipping and transportation costs. Where applicable, the requesting agency may be required to pay costs for packing, loading, and any costs related to the dismantling of the property when required for transportation purposes.

Reimbursable Transfers (41 CFR 102-36.75(b))

Holding agencies may be reimbursed for transfers of excess property when...

- Reimbursement is directed by GSA.
- The property was originally acquired with funds not appropriated from the general fund of the Treasury or appropriated therefrom but by law reimbursable from assessment, tax, or other revenue and the holding agency requests reimbursement. It is executive branch policy that working capital fund property shall be transferred without reimbursement.
- The property was acquired with appropriated funds, but reimbursement is required or authorized by law.
- The requesting or the holding agency is the U.S. Postal Service (USPS).
- The acquiring agency is obtaining excess personal property for use by a project grantee that is a public agency or a nonprofit organization and exempt from taxation under 26 USC 501.
- The acquiring or the holding agency is the DC Government.
- The requesting agency or the holding agency is a wholly owned or mixed-ownership government corporation as defined in the Government Corporation Control Act (31 USC 9101-9110).

GSAXcess®

GSAXcess® is a totally web-enabled platform that authorized customers use to report, search and select property. This is a "real-time" system that provides authorized users a means of electronically reporting excess personal property to GSA and is a source for searching and selecting excess property available for transfer. Excess reports are posted through GSAXcess® instantaneously and batch excess reports are processed during an overnight cycle. Property is organized into user-friendly commodity groupings for ease in screening and making selections. The commodity groups are based on the Federal Supply Class (FSC) assigned to each item as reported in GSAXcess®.

Property can also be viewed by state/territory and users can also easily view unused property available for transfer or donation.

GSAXcess® users require an access code and password in order to use GSAXcess®. The procedures for acquiring access to GSAXcess® vary with respect to the following entities and user needs:

Federal Employee Requiring Search Only Access Register online at www.gsaxcess.gov. Once registered, the prospective user will receive an e-mail that will provide "Search Only" access to GSA's worldwide inventory of excess and surplus property. To use this option, your e-mail address must end in ".gov" or ".mil."

Federal Employee Requiring "Report and/or Search and Select" Access Process request through National Utilization Officer (NUO) or contact local Area Property Officer (APO), as appropriate. *(Note: Internal approval levels for GSAXcess® user access varies among federal agencies.)* To locate applicable NUO or APO points of contact, visit www.gsa.gov/nuo or www.gsa.gov/apo or call the GSAXcess® Help desk at 1 (866) 333-7472.

DoD Employee, DoD Contractor or National Guard Requiring "Report and/or Search and Select" Access Process user requests through your respective Accountable Property Officer, DoD Contacting Officer or National Guard Bureau/U.S. Property and Fiscal Officer (USP&FO). If assistance is required, contact the GSAXcess® Help desk at 1 (866) 333-7472.

Other Federal Contractor Employees and Nonfederal Recipients Requiring "Report and/or Search and Select Access" Process request through National Utilization Officer (NUO). To locate the applicable NUO, visit www.gsa.gov/nuo or call the GSAXcess® Help desk at 1 (866) 333-7472.

State Agency For Surplus Property (SASP) Requiring "Search and Select" Access Send request to gsaxcess@gsa.gov. If necessary to submit request by letter, contact GSAXcess® Help Desk for a mailing address at 1 (866) 333-7472 or send e-mail to gsaxcesshelp@gsa.gov.

GSAXcess® User Access Request Content Requirements In many agencies, access to GSAXcess® can be granted by the NUO. All access requests sent to GSA must be made by one of the following entities by letter or e-mail.

- National Utilization Officer (NUO);
- DoD Accountable Property Officer or Supply Officer;
- DoD Contracting Officer;
- National Guard Bureau or U.S. Property and Fiscal Officer (USP & FO) or authorized representative; and
- State Agency for Surplus Property (Director).

The letter or e-mail must also state that the author is requesting access for himself, herself, or other individuals within his or her organization. Letter requests must be submitted on the activity's letterhead with the correct mailing address, commercial phone number, e-mail address and Activity Address Code (AAC) for each individual requiring GSAXcess® access. E-mail requests for DoD Employees, DoD Contractors or National Guard units must be from a ".mil" e-mail address. However, all requests must include the type of access needed (e.g., "Report Excess Property", "Search/Select"). Send e-mail requests to gsaxcess@gsa.gov. If necessary to submit request by letter, contact GSAXcess® Help Desk for a mailing address at 1 (866) 333-7472 or send e-mail to gsaxcesshelp@gsa.gov .

For more information on GSAXcess®, visit the GSA website at www.gsa.gov/gsaxcess.

Reporting Excess Personal Property to GSA

(41 CFR 102-36.215 and 102-36.220)

Generally, all excess personal property must be reported to GSA, regardless of condition. This includes excess personal property to which the government holds title but is in the custody of federal agency contractors, cooperatives, or project grantees. *(Note: Excess contractor inventory is contractor-acquired or government-furnished property to which the government has title, is in the possession of or available to a contractor or subcontractor, and exceeds the amounts needed to complete full performance of the contract.)*

There are three ways to report excess property:

- GSAXcess® is the preferred method of reporting excess;
- Customers without internet access may submit a "Report of Excess Personal Property" (SF 120) to their respective regional GSA Personal Property Management Office; and
- The "batch method" is used by activities that have inventory systems that retain excess property data and have a high volume of property to report. This method requires agency electronic records so they can be read by GSAXcess®.

For commodities with special reporting/handling, see the "Property with Special Handling Requirements" section, page 31.

Descriptive Information and Pictures (41 CFR 102-36.235)

A good comprehensive description of available property is the best way to ensure its quick disposition. Inadequate or inaccurate descriptions result in followups to obtain correct (and necessary) information, delay to the disposal process, and often result in lost opportunity for quick disposition by transfer or donation. Each item entered into GSAXcess® (or Block 18B of the hardcopy SF-120) should be described in commercial terms and in sufficient detail to permit transfers or sale without further reference to the holding agency.

You must provide the following data on excess personal property:

(1) The reporting agency and the property location;

(2) A report number (6-digit Activity Address Code and 4-digit Julian date);

(3) 4-digit Federal Supply Class (use National Stock Number whenever available);

(4) Description of item, in sufficient detail;

(5) Quantity and unit of issue;

(6) Disposal Condition Codes;

(7) Original acquisition cost per unit and total cost of all units (use estimate if original cost not available);

(8) Manufacturer, date of manufacture, part and serial number, when required by GSA; and

(9) Review and provide the following additional information on your report of excess, when appropriate and where applicable:

(a) Major parts/components that are missing;

(b) If repairs are needed, the type of repairs;

(c) Special requirements for handling, storage, or transportation;

(d) The required date of removal due to moving or space restriction;.

(e) If reimbursement is required, the authority under which the reimbursement is requested, the amount of reimbursement (fair market value if known) and the appropriate fund code to which money is to be deposited; and

(f) If you will conduct the sale of personal property that is not transferred or donated.

Pictures also provide a great way to advertise excess property and GSAXcess® has digital photo upload capability as well. Customers can e-mail (or mail) digital photographs to GSA for display on GSAXcess®. Follow the instructions located at the following website: www.gsa.gov/xcessphotos.

Disposal Condition Codes

When property is reported online, the condition of property is reported using the simplified text underlined below. When property is reported in batch, the condition of property is reported using the disposal condition code shown below as a one position number or letter. After property is reported, it is displayed in GSAXcess® with the one-word text only.

1 ..... **New/Unused** Property which is in new condition or unused condition and can be used immediately without modifications or repairs.

4 ..... **Usable** Property which shows some wear, but can be used without significant repair.

7 ..... **Repairable** Property which is unusable in its current condition but can be economically repaired.

X .....**Salvage** Property which has value in excess of its basic material content, but repair or rehabilitation is impractical and/or uneconomical.

S ..... **Scrap** Property which has no value except for its basic material content.

Excess Property Not Required to Be Reported to GSA

Holding agencies are not required to report the following types of excess personal property to GSA for screening:

(1) Property determined appropriate for abandonment/destruction (41 CFR 102-36.305).

(2) Nonappropriated fund property (41 CFR 102-36.165).

(3) Foreign excess personal property (41 CFR 102-36.380).

(4) Scrap, except aircraft in scrap condition (41 CFR 102-36.340, 102-36.345).

(5) Perishables, defined for the purposes of this section as any personal property subject to spoilage or decay (41 CFR 102-36.220).

(6) Trading stamps and bonus goods (41 CFR 102-36.220).

(7) Hazardous waste (41 CFR 101-42).

(8) Controlled substances (41 CFR 101-42).

(9) Nuclear Regulatory Commission-controlled materials (41 CFR 101-42).

(10) Property dangerous to public health and safety (41 CFR 101-42).

(11) Classified items or property determined to be sensitive for reasons of national security (41 CFR 101-42).

Reporting Points and Regulatory Guidance for Excess/Donation of Restriction Items

Type of property	Report Excess To GSA Regional Office	41 CFR Excess Reference	41 CFR Donation Reference
Aircraft[1]	San Francisco	102-36.340	102-37.225 102-37.230 102-37.460
Firearms[2]	Denver	102-36.375	101-42.1102-10
Foreign Gifts	Central Office	102-36.420 102-42	102-42
Forfeited Property	Washington, DC	101-48	101-48
Standard Forms	Ft. Worth	102.36.125(b)	None
Vessels, Civilian[3]	Atlanta	102-36.470	102-37.225 102-37.230 102-37.455 102-37.460
Vessels, DoD[3]	Philadelphia		Same as for civilian vessels

Note: See www.gsa.gov/ppmo for GSA Regional Personal Property Management Office addresses.

Footnotes:

[1] Aircraft: Special terms, conditions, handling and documentation apply for donation of aircraft (FSCs 1510 and 1520).

[2] Firearms: Special terms, conditions, handling and documentation processing is required for the donation of firearms in FSCs 1005 and 1010 with a Disposal Condition Code of "4" or better only.

[3] Vessels: Special terms, conditions, handling and documentation processing is required for the donation of vessels 50 feet or more in length with an acquisition cost of $5,000 or more.

Computers for Learning (CFL) Program
(41 CFR 102-36.475)

The Computers for Learning (CFL) program places computers in classrooms and prepares children to contribute and compete in the 21st century. The CFL program allows transfer of excess federal computer equipment to schools and educational nonprofit organizations, giving special consideration to those with the greatest need.

Authority

The CFL program implements Executive Order (EO) 12999. EO 12999 directs federal agencies to give "highest preference to schools and nonprofit organizations in the transfer of educationally useful federal equipment." The order defines "educationally useful federal equipment" as "computers and related peripheral tools (e.g., printers, modems, routers, and servers), including telecommunications and research equipment, that are appropriate for use in pre-kindergarten, elementary, middle, or secondary school education. It shall also include computer software, where the transfer of licenses is permitted."

Transfer of computers and other educationally useful federal equipment to schools or eligible nonprofit organizations can take place either as a direct transfer by the agency or by reporting the item to GSA for donation to an eligible recipient through a transfer to a SASP.

Direct transfers are authorized by law through 15 USC 3710 (i) commonly known as the Stevenson Wydler Technology Innovation Act of 1980. It states, "The Director of a laboratory, or the head of any federal agency or department, may give research equipment that is excess to the needs of the laboratory, agency, or department to an educational institution or nonprofit organization for the conduct of technical and scientific education and research activities. Title of ownership shall transfer with a gift under this section." Legislative history providing the intent of Title 15 includes computers as research equipment.

Transfers of computers authorized under the CFL Program differ from donations made under the Federal Surplus Personal Property Donation Program (see page 15). Donations are authorized by law under 40 USC 549. Unlike the CFL program, donation transfers of computers to schools and educational nonprofit organizations must be approved by GSA. Also, title to the property that is donated by a SASP does not convey with the donation to an eligible donee. The donee does not get title to the property until periods of restriction on its use are met.

How It Works

Computers and other educationally useful federal equipment must first be offered to other activities within a federal agency before being determined excess to that agency. After internal screening is complete, the computer(s) become excess to the agency. Once the computers have been designated as excess, the agency must determine if it wishes to do a direct transfer or report the item(s) to GSA for further screening.

If the agency wishes to do a direct transfer, it can do so by participating in the Computers for Learning (CFL) Program. Federal agencies that wish to transfer computers and schools that wish to receive them must register with the program via the CFL website at www.computers.fed.gov. Schools register their computer needs by type and quantity. Agencies review the list, choose a school as their intended recipient, then make an offer to transfer its computers to the school. The offer requires that the agency itemize the computer equipment it wishes to transfer to the school. If the school accepts the offer, it must also accept the responsibility for disposal of the computer in an environmentally safe manner when it is no longer needed.

If the school rejects the offer and the agency makes no other offers, the computer(s) must be reported to GSA for possible donation through the Federal Surplus Personal Property Donation Program authorized under Title 40 USC 549 as explained above under "Authority."

Withdrawal of Excess Equipment Previously Reported to GSA for Use in the CFL Program

Agencies may not withdraw excess equipment previously reported to GSA unless it is needed to satisfy an internal agency requirement.

CFL Program Eligibility

All CFL participants must be located in the United States, the U.S. Virgin Islands, American Samoa, Guam, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands.

(a) Public, Private, and Home Schools

A school is eligible to receive donations through the CFL program if it is a public, private, parochial, or home school serving pre-kindergarten through grade 12 students. Home Schools must meet their respective state's requirements for designation as a home school. Day care centers must provide a state-approved preschool curriculum in order to participate in CFL.

(b) Educational Nonprofits

An educational nonprofit is eligible if it meets all of the following criteria to participate in the CFL program:

1. Be tax exempt under section 501(c) of the U.S. tax code, and
2. Serve some portion of the pre-kindergarten through grade 12 population, and
3. Operate exclusively for the purpose of education.

If an educational nonprofit organization is supported by the 501(c) certification of a "parent organization," the parent organization itself must meet the three sets of criteria stated above.

Preference to Federal Empowerment Zones and Enterprise Communities

Federal agencies are encouraged to give particular preference to schools and educational nonprofit organizations located in the Federal Empowerment Zones and Enterprise Communities (EZ/ECs). EZ/ECs were established by law in 1993 and created self-sustaining, long term economic development in areas of pervasive poverty and unemployment. Schools and educational nonprofit organizations should indicate whether they are located within an EZ/EC upon registration in the CFL program. Federal agencies shall attempt to give particular preference to schools and educational nonprofit organizations located in EC/EZs. (For more information on EZ/EC schools, see the CFL website link to www.ezec.gov.)

CFL Website Registration

Federal agencies must obtain user codes to access complete transactions in this website. The CFL website at www.computers.fed.gov provides federal agencies a quick and easy system to register and obtain user codes. This enables agencies to transfer excess computers to schools and educational nonprofit organizations based on indications of need. The website provides a virtually paper-free system for transferring computers and automatically tracking transfers so that each agency can easily generate its annual report to GSA.

The CFL website also provides schools and educational nonprofit organizations with registration forms so that they may request excess computer equipment. In addition, this website provides a tutorial with examples for creating an overall plan addressing computer needs and assessment of available computer equipment. It also provides information for locating assistance for computer upgrades.

Federal Agency Transfer Process

After registration and approval, a User ID and Password will be sent to the federal agency via e-mail to allow selection of a school or educational nonprofit organization. Once a school or educational nonprofit organization is selected, the federal agency enters information on the computer equipment they have available. The federal agency then makes an e-mail offer to the selected recipient through the CFL website. The notification will contain descriptive data for computer equipment to be transferred. The school or educational nonprofit organization can accept the offer by printing, signing, and dating the bottom of the notification and returning it to the offering agency. Once the offer is accepted, the federal agency and the school or organization will coordinate pickup or shipment of the computer(s). It is the responsibility of the recipient to pickup the equipment or pay for its shipment. Computer equipment not picked up in a timely manner may result in a withdrawal of the offer and selection of another school or educational nonprofit organization.

CFL Program Participation Cost Factors

Schools and educational nonprofit organizations do not pay for excess computer equipment received through the CFL program. However, they are responsible for shipping and transportation costs. In accordance with EO 12999, all transfers to schools or nonprofit organizations shall be made at the lowest cost to the school or nonprofit organization permitted by law.

Computer Repair/Upgrade Requirements

EO 12999 encourages the use of nonprofit computer reuse or recycling programs to repair and upgrade computers. However, title to the computer equipment must pass from an agency to a school or educational nonprofit organization. Title to the computer equipment may not be transferred to computer reuse or recycling programs. At the direction of the recipient, transferred equipment may be conveyed initially to a nonprofit reuse or recycling program that will upgrade it before transfer to the school or nonprofit organization holding title. Some recyclers refurbish computers themselves; others teach students how to refurbish them for use in their own school districts. Many recyclers can also assist with teacher training, mentoring, and computer maintenance, however, these programs are not supported by CFL.

Accounting for Computers Transferred to Schools/Educational Nonprofit Organizations

Your agency's personal property manager should maintain records in accordance with internal agency procedures and in such a manner to help produce the annual Nonfederal Recipients Report. Within 90 days of the end of each fiscal year, agencies are required to report to GSA excess property provided to nonfederal recipients (interagency report control number 0154-GSA-AN). This report should list computer equipment by type, by component or system, quantity, and original acquisition cost. The report must also identify the recipient by school name, city, and state. If all of the agency's transactions are conducted via the website, the CFL website will automatically generate this information for the CFL portion of your report.

Federal Surplus Personal Property Donation Program
(41 CFR 102-37)

General Information

Like property in excess status, surplus personal property includes all types and categories of property except land or other real property, certain naval vessels, and records of the federal government. 40 USC 549 provides for the transfer of surplus personal property to State Agencies for Surplus Property (SASPs) for further distribution to state and local governments and eligible nonprofit organizations. Additionally, in accordance with 49 USC 47151, transfers of surplus property to public airports are also authorized if the Federal Aviation Administration (FAA) (under the delegation from the Department of Transportation) considers the property appropriate for airport purposes and GSA approves the transfer. (See 41 CFR 102-37.520 through 102-37.535.)

Except for public airports, SASPs determine eligibility for participation in the donation program and assist eligible donees in locating, screening, and acquiring needed equipment (although public airports may also be eligible donees through a SASP). SASPs also advise donees of the terms, conditions, restrictions and noncompliance ramifications associated with donated personal property. Additional conditions and restrictions are imposed by the GSA on certain types of property such as aircraft, vessels, firearms, and gifts received from foreign dignitaries. SASPs may assess donation recipients a service charge to cover handling, transportation, and administrative expenses for donated surplus property.

The major categories of eligible recipients are:

- Public agencies;
- Nonprofit educational and public health activities, including programs for the homeless;
- Nonprofit and public programs for the elderly;
- Service Educational Activities (SEAs) – educational activities of special interest to the Armed Services (e.g., American National Red Cross, Armed Services YMCA of the USA, Boy Scouts of America, Naval Sea Cadet Corps, and more are eligible for DoD property only); and
- Public airports.

Eligible program participants may submit requests for property directly to their respective SASP. SASPs have been established by each state and territory. For a current list of SASPs, visit GSA's website at www.gsa.gov/sasp.

SASP Donation Guidelines

Excess property becomes surplus the day after utilization screening has been completed (the day following the Surplus Release Date (SRD)) with no transfer of the property to a federal agency (or other eligible recipient). At this time, the SASP may request GSA approval for transfer of surplus property from federal holding agencies to eligible donees. Transfer requests must be accomplished on a "Transfer Order of Surplus Personal Property" (SF 123) initiated by the SASP. Once GSA has approved the transfer, the SASP may coordinate transfer of the property to a donee. (Procedures for donation screening, selection, allocation and removal periods are discussed on pages 17-19.)

Nondonable Property

Except for property in the following categories, all other surplus property (including property held by working capital funds established under 10 U.S.C. 2208 or in similar funds) is available for donation to eligible recipients.

(a) Agricultural commodities, food, and cotton or woolen goods determined from time to time by the Secretary of Agriculture to be commodities requiring special handling with respect to price support or stabilization;

(b) Property acquired with trust funds (e.g., Social Security Trust Funds);

(c) Nonappropriated fund property;

(d) Naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers, and submarines;

(e) Vessels of 1500 gross tons or more which the Maritime Administration determines to be merchant vessels or capable of conversion to merchant use;

(f) Records of the federal government;

(g) Property that requires reimbursement upon transfer (such as abandoned or other unclaimed property that is found on premises owned or leased by the government);

(h) Controlled substances; and

(i) Items as may be specified from time to time by the GSA Office of Governmentwide Policy.

Property Screening, Selection, Allocation and Removal Periods

(41 CFR 102-36, 102-37)

Screening is the process of physically inspecting property or reviewing computer screens and hardcopy lists of reports of property that is available for utilization and donation transfers. Simultaneous utilization and donation screening follows "internal screening" performed by federal agencies and begins when GSA receives a report of excess personal property.

Methods of Screening Property:

(a) Check GSAXcess® for needed property. See page 6 for information on requesting "access code."

(b) Check any available holding agency websites. Property undergoing internal screening at a Defense Reutilization and Marketing Office (DRMO) can be viewed at www.drms.dla.mil/asset/govealpa.html.

(c) Conduct "physical" onsite screening at various federal facilities; and

(d) Contact the GSA Regional Personal Property Management Offices (see www.gsa.gov/ppmo).

Screening Period Generally, a 21-day period in which excess personal property is made available for viewing and selection for utilization transfer. This period also allows for screening by eligible donation recipients. (See Personal Property Excess Utilization on page 3.) Federal agencies, contractors, eligible nonfederal recipients and donation customers (i.e., State Agencies for Surplus Property (SASPs) and public airports) may screen excess property during this period. However, donation customers cannot receive property until the day following the Surplus Release Date (SRD). The SRD generally represents the end of the 21-day utilization (or excess) screening period and the property becomes surplus with the following exceptions:

Vessels 50 feet and over	SRD = Report Date + 60 days
Aircraft	SRD = Report Date + 90 days

Computer screening of DoD property at Defense Reutilization and Marketing Offices (DRMSs) can be done on the DRMS website above and takes place on the Thursday and Friday following the SRD. This screening period called "RTD2" is offered to both utilization and donation customers to ensure sufficient screening prior to sale.

Property Selection and Transfers Using GSAXcess® Customers are encouraged to use GSAXcess® when screening and selecting property. Once the desired property has been selected through the GSAXcess® "virtual shopping cart" and "checkout" processes, the system will provide a confirmation statement to the requester by e-mail. GSAXcess® will automatically

send transfer requests for selected property to the appropriate GSA reviewing official for allocation. For utilization transfers, the GSA Area Property Officer (APO) makes the allocation determination. For donation transfers, the GSA Allocating Official (AO) does the allocation. Once allocation is made, an automated Transfer Order (SF 122 or SF 123) is e-mailed (or faxed) to the requester's own Approving Official for signature. The Approving Official will then fax the signed copy to the GSA APO or AO (as appropriate) for final approval.

Physical Screening Authorization at Holding Agency Federal agencies may authorize their respective employees, contractors, or sponsored nonfederal recipients to physically screen property generated by the Department of Defense (DoD) and located at Defense Reutilization and Marketing Offices (DRMOs) and DoD contractor facilities. Similarly, SASPs may authorize their employees to physically screen property at the same locations. Screeners may also inspect excess personal property located at various civilian agency facilities throughout the United States.

Federal agency employees must present a valid federal ID card to enter a federal facility. Nonfederal individuals will need proof of authorization from their sponsoring federal agency in addition to valid picture identification.

SASP personnel or their donee personnel must have a valid screener identification card before physically screening and selecting property at holding agencies. In accordance with 41 CFR 102-37.180, SASPs must submit an Optional Form 92 Screener's Identification and a written request to the GSA Regional Personal Property Management Office (www.gsa.gov/ppmo) serving the state in which the intended screener is located for screener authorization. The Optional Form 92 must contain the intended screeners signature and an affixed passport-style photograph.

Excess and Surplus Property Allocation

Excess utilization and donation customers may screen excess property concurrently; however, the allocation period for excess property occurs throughout the screening cycle. Donation customers, by contrast, cannot receive property until the day following the Surplus Release Date (SRD). The SRD is the date on which federal utilization screening of excess personal property ends and the property is available for donation. The allocation period for donations begins after the SRD and lasts for a period of 5 calendar days. Firearms require an allocation period of 90 days for additional checks and documentation.

For utilization transfers, the GSA Area Property Officer (APO) makes the allocation determination. For donation transfers, the GSA Allocating Official (AO) makes this determination. Once an allocation determination is made, federal holding agencies and requesters will receive an "allocation notice" by e-mail or fax via GSAXcess®. This notice will be in the form of a Transfer Order, SF 122, for excess property or SF 123 for surplus property.

a. **Notice of Allocation to Holding Agency** Once an allocation determination has been made, an allocation notice will be e-mailed (or faxed) to the appropriate holding agency to provide notification of the upcoming transfer.

b. **Notice of Allocation to Requesting Agency** GSA will provide an "allocation notice" to the requesting agency. Allocation notices will be provided to requesters of excess property throughout the excess screening cycle. However, all notices for requests of surplus property for donation will only be provided during the 5-day donation allocation period after the SRD (except firearms in which the allocation period is 90 days).

Once the "notice of allocation" has been received by the respective federal agency or SASP, the approving official must sign the requesting agency approval block of the electronic Transfer Order and fax it back to the GSA APO (for excess) or AO (for surplus donation). The GSA APO or AO will then approve the transfer order, requisition the property in GSAXcess®, and provide the requester and the holding agency with a fully approved or signed document. Upon receipt from GSA, the requesting agency must make arrangements for the physical removal of the property. In cases where property is no longer needed upon receipt of an allocation notice, the approving official of the requesting agency must contact the GSA APO or AO.

Removal Periods This is the "pickup" time frame for excess and surplus property that has been approved for transfer by GSA. The removal period begins with the date of GSA allocations. Holding agencies will advise GSA if property is not removed.

- **Recycling Control Point (RCP) and NonDoD Agencies:** 15 days from the date of allocation. For RCP property, the date of allocation is the Julian Date in the requisition number of the transfer order. *(Note: RCP property is excess Defense Logistics Agency (DLA) property in Supply Condition Codes A through F that is located at DLA depots.)* Supply Condition Codes can be reviewed at www.drms.dla.mil/rtda/Help_Definitions/Condition_Codes/condition_codes.html.
- **Defense Reutilization and Marketing Offices (DRMOs):** 21 days from the date of allocation.

Remember... the requesting agency is responsible for shipping and transportation costs. Where applicable, the requesting agency may be required to pay costs for packing, loading, and any costs related to the dismantling of the property when required for transportation purposes. In the case of donations through SASPs, these costs may be passed on to donees that actually receive the property.

GSA Federal Surplus Personal Property Sales Program
(41 CFR 102-38)

The GSA Federal Surplus Personal Property Sales Program is an optional source for the sale of surplus and exchange/sale personal property. After property goes through the donationprocess, surviving items can be made available to the public for sale. Property sales give individuals and businesses an opportunity to buy items the federal government no longer needs. Federal agencies may sell personal property as the holding agency or on behalf of another agency when so requested, or have GSA or a contractor conduct the sale. However, only federal Contracting Officers are authorized to approve the sale and bind the United States. If a federal agency conducts its own sale or contracts for sale services, all provisions of 41 CFR 102-38 shall be followed when conducting sales of federal government owned personal property. Agency internal procedures shall be issued to ensure compliance and uniformity and to protect the integrity of the sales process.

GSA advertises sales by the following methods:

- Items are available for sale on our website at www.gsaauctions.gov 7 days a week/24 hours a day;
- Information on other types of sales such as live auctions, fixed price, drop by, spot bid, negotiated, and sealed bid is available at www.surplussales.gsa.gov;
- GSA also advertises in local newspapers, on the radio, or post notices in public buildings; and
- Highly specialized sales and others that might generate interest nationwide are advertised in national newspapers, trade journals, periodicals, or online at the Federal Business Opportunities (FedBizOpps) website at www.fedbizopps.gov or call (703) 472-3779. *(Note: FedBizOpps is the single Government Point-of-Entry (GPE) for federal government procurement opportunities over $25,000.)*

Methods of Sale (41 CFR 102-38)

Live Auction

GSA may hold an auction when there are a large number of items for sale in one location. GSA uses traditional auction methods. Prospective bidders will receive descriptions, bidding instructions and an opportunity to inspect the merchandise ahead of time or on the day of sale. Some GSA sales are conducted by commercial auction companies under contract with GSA.

Drop By Sale

This type of sale is a combination of an auction, spot bid and sealed bid sale. It is most often used when there is an insufficient amount of surplus property at one location to warrant a live auction and is sometimes known as a "silent auction." A "Drop By" sale is advertised with inspection and bid the same day and time. Bidders must be present to participate and mailed bids are not acceptable. Registration is required at the inspection site to obtain a bidder's number and a bid card must be completed. A secured locked container (bid box) is placed at the sale location for placing bid cards. At the close of sale the bids are removed from the bid box and award is made to the highest bidder. Notifications of award are made by mail or phone. Payment and removal is similar to a sealed bid.

Fixed Price

At fixed price sales (also referred to as "Retail"), the selling prices are posted on the property and the items are sold on a "first-come, first served" basis. Federal agencies may sell personal property at fixed price sales when the head of the agency, or designee, determines in writing that such sales serve the best interests of the government. You must publicize such sale to the extent consistent with the value and nature of the property involved, and the prices established must reflect the estimated fair market value of the property. You may also establish additional terms and conditions that must be met by the successful purchaser.

GSA Auctions®

GSA Auctions® (www.gsaauctions.gov) is a completely web-enabled auction site that allows all registered participants to bid electronically on a single item or multiple items (lots) within specified timeframes. The auction site accepts bids by proxy and provides instant feedback. The website provides item descriptions and pictures of items for sale. GSA Auctions® offers a wide variety of federal personal property assets ranging from commonplace items such as office equipment and furniture to more select products like scientific equipment, heavy machinery, airplanes, vessels and vehicles. These online capabilities allow GSA to offer assets located across the country to any interested buyer, regardless of location.

Negotiated

While it is the policy to sell property after publicly advertising for bids, when circumstances dictate, personal property may be sold by negotiation, subject to obtaining such competition as is feasible. You may negotiate sales of personal property when the item has an estimated fair market value that does not exceed $15,000 and meets other conditions set forth in 41 CFR 102-38.105.

Sealed Bid — GSA sells by "sealed bid" when sale items are in scattered locations. For a sealed bid sale, GSA prepares an "Invitation for Bid," (IFB), available to prospective buyers through the mail or via the internet. The IFB contains item descriptions, sale terms and conditions, item locations and inspection times and a bid form. If a customer decides to bid, the bid form must be completed and mailed to the address shown in the IFB. GSA must receive a bid by the opening date and time indicated on the IFB. Late bids are not accepted under any circumstances. GSA opens all bids publicly.

Spot Bid — A spot bid sale is similar to a "silent auction" with written bids as opposed to verbal bids. A spot bid sale is a sale where immediately following the offering of the item or lot of property, bids are examined and awards are made or bids rejected on the spot. Bids are either submitted electronically or in writing according to formats specified by the selling agency, and must not be disclosed prior to announcement of award. Property is offered item by item and awarded to the highest bidder. Bidders may bid only once per item, unless the item is re-offered.

Conditions of Sale

GSA sells used personal property according to the U.S. Government's SF 114C, "General Sale Terms and Conditions." Customers may ask to review a copy at any of the GSA regional sales offices. Please study carefully the terms and conditions in the IFB and any special notices provided at the time of sale.

Payment and Removal

GSA accepts payment by U.S. currency (no greater than $10,000); bank cashier's check; credit union cashier's check issued by a federal or state chartered credit union; U.S. Postal Service or commercial money order; traveler's checks; properly endorsed United States federal, state, or local government checks; MasterCard, VISA, Discover (Novus), American Express and online through the Pay.gov™ link via GSA Auctions®. Certified checks, bank drafts and debit cards with dollar limitations and/or requiring a PIN Number, are not acceptable. All checks and money orders must be made payable to the General Services Administration.

A personal or company check will be accepted only when accompanied by a bank letter guaranteeing payment. This letter must be on a bank letterhead and must state (1) that payment is guaranteed, (2) that the guarantee is valid for 30 days after the bid opening date, and (3) that the guarantee covers the purchase of U.S. government personal property only. The letter must be dated, include the bidder's name, the amount the guarantee is for, date of sale, and signed by a bank official authorized to guarantee payment. The government does not provide any form of financing.

Purchasers are required to remove their purchases within the time prescribed for each sale, but merchandise cannot be removed before payment is made. Removal is the purchaser's responsibility. If a purchaser fails to pay and remove the merchandise by the prescribed deadline, the government will take action to collect damages ($200 or 20 percent of the purchase price, whichever is greater).

GSA Sales Services

GSA offers a variety of services to make the sale process cost-effective for its customers. GSA will work with agencies to tailor these personal property services to meet agency specific needs. GSA can offer new services that will assist federal agencies in achieving faster disposal, a greater rate of return, and no separate billing system. The sale of the property will fund its own disposal.

GSA Offers:

- Direct marketing to an established loyal customer base;
- Trained and experienced professionals in personal property disposal, vehicle disposal, contract law, and Congressional inquiries;
- No direct fees paid by an agency for disposal;
- Acceptance of credit card payments from purchasers;
- Vehicle disposal contracts in all regions (Additional services including vehicle detailing, storage & transportation may be accomplished using commercial contracts);
- Better prices due to consolidation of sales; and
- Computer information systems and financial services.

Rates

On an annual basis, GSA will establish national rates for basic personal property sales services. The current basic service rates can be located via the GSA website at www.gsa.gov/ppbasicservicerates. Updates will also be published in a GSA Bulletin. Basic services include everything related to the actual sale of property by live auction, internet, spot bid, sealed bid, fixed price, or negotiation, and are defined below. Supplemental services, namely, transportation, storage, maintenance, and reconditioning of property prior to sale will vary according to local market conditions.

The following services are covered at basic rates:

- Property cataloging;
- Maintenance of mailing list;
- Printing and distribution of announcements to bidders on mailing list;
- Normal media advertising (one newspaper or equivalent);
- Registration of bidders;
- Auctioneer;
- Onsite contracting officer;
- Award document preparation;
- Onsite and online collection of payments;
- Follow on collection of late payments;
- Security service;
- Deposit of proceeds;

- Distribution of proceeds;
- Financial and property line item accountability; and
- Contract administration.

For further information, please contact your respective GSA Regional Personal Property Management Office, see www.gsa.gov/ppmo.

Responsibilities of Holding Agencies for GSA Sales

Holding agencies are responsible for the care and handling of surplus property during the sales processes and perform these additional services:

- Provide descriptive information for sale and accountability via GSAXcess®, Report of Excess Personal Property (SF 120) or Report of Personal Property for Sale (SF 126), for seized and exchange/sale property;
- Provide digital photo via GSAXcess® or if manually reporting property on a SF 120 or SF 126 provide photos via e-mail or disk mailing using postal/delivery services;
- Provide for inspection by prospective bidders;
- Provide facilities and assistance when requested by GSA;
- Assist in the physical lotting of property to be sold (lotting refers to the division of the property into reasonably sized groups of similar items in order to promote competitive bidding); and
- Transport property to a consolidated sales site when acceptable to both the holding agency and GSA.

Where to Go for Real Estate

GSA's Public Buildings Service sells most surplus government real estate. For information, call 1-800-472-1313 or request a free copy of the U.S. Real Property Sales List by writing the Federal Citizen Information Center, Pueblo, CO 81009 or calling 1-888-8PUEBLO. Information on real property sales can be obtained through the Real Property Disposal website at www.propertydisposal.gsa.gov.

Exchange/Sale of Personal Property
(41 CFR 102-39)

General Authorization

When replacing personal property with similar items, the exchange/sale authority provides for the value of the old items to be used to reduce the cost of the replacement item either by exchange (trade-in) or sale and use of the proceeds in the acquisition of the replacement item.

Exchange or Sale Determination

The holding agency must determine if exchange or sale will obtain the maximum return to the government including administrative and overhead expenses. The exchange/sale authority should not be used if the exchange allowance or estimated sales proceeds for the property will be unreasonably low. The property should be declared excess or abandoned/destroyed in accordance with 41 CFR 102-36. Exchange/replacement requirements may exist in more than one organizational unit of a federal agency (i.e., the items to be replaced may be excess to the needs of one unit, but a new similar item is being acquired elsewhere in the agency). You must not use the exchange/sale authority if the transaction(s) would violate any other applicable statute or regulation.

Transfers of Exchange/Sale Property

If you have property to replace which is eligible for exchange/sale, you should first, to the maximum extent practicable, solicit the following entities:

(a) Federal agencies known to use or distribute such property: If a federal agency is interested in acquiring and paying for the property, you should arrange for a reimbursable transfer. Reimbursable transfers may also be conducted with the Senate, the House of Representatives, the Architect of the Capitol and any activities under the Architect's direction, the District of Columbia, and mixed-ownership government corporations. When conducting a reimbursable transfer, you must:

(1) Do so under terms mutually agreeable to you and the recipient;

(2) Not require reimbursement of an amount greater than the estimated fair market value of the transferred property; and

(3) Apply the transfer proceeds in whole or part toward the payment for property acquired to replace the transferred property.

(b) SASPs known to have an interest in acquiring such property: If a SASP is interested in acquiring the property, you should consider selling it to the SASP by negotiated sale at a fixed price. The sales proceeds must be applied in whole or part payment for property acquired to replace the transferred property.

Restrictions and Limitations

The following Federal Supply Classification groups are not eligible for exchange/sale:
10 Weapons;
11 Nuclear ordnance;
12 Fire control equipment;
14 Guided missiles;
15 Aircraft; except FSC 1560, Airframe Structural Components;
42 Firefighting, rescue, and safety equipment;
44 Furnace, steam plant, drying equipment, and nuclear reactors;
51 Hand tools;
54 Prefabricated structures and scaffolding;
68 Chemicals and chemical products, except medicinal chemicals; and
84 Clothing, individual equipment, and insignia.

Note: The exception to the above is Department of Defense (DoD) property in FSC Groups 10, 12, and 14 (except FSC Class 1005) for which the applicable DoD demilitarization requirements (and any other applicable regulations and statutes) are met (see 41 CFR 102-39.45).

You may use the exchange/sale authority only if you meet all of the following conditions:

(a) The property exchanged or sold is similar to the property acquired;

(b) The property exchanged or sold is not excess or surplus and you have a continuing need for that type of property;

(c) The number of items acquired must equal the number of items exchanged or sold unless:

(1) The item(s) acquired perform all or substantially all of the tasks for which the item(s) exchanged or sold would otherwise be used; or

(2) The item(s) acquired and the item(s) exchanged or sold meet the test for similarity specified in section 41 CFR 102-39.20 that they are a part(s) or container(s) for identical or similar end items;

(d) The property exchanged or sold was not acquired for the principal purpose of exchange or sale; and

(e) You document at the time of exchange or sale (or at the time of acquiring the replacement property if it precedes the sale) that the exchange allowance or sale proceeds will be applied to the acquisition of replacement property.

Digital Photographs Property that is considered and reported as exchange/sale items are not required to be entered into GSAXcess®, but it is strongly recommended. GSA encourages agencies to give exchange/sale property maximum visibility for re-utilization and fair market reimbursement. The requirement for submission of a digital photograph remains when a federal agency elects not to report their exchange/sale property through GSAXcess®. If an agency chooses to report exchange/sale property directly to its GSA Regional Personal Property Management Office (see www.gsa.gov/ppmo) for surplus sale, a digital photograph must be provided via e-mail or disk mailing using postal/delivery services. For guidelines on submission of digital photographs, visit www.gsa.gov/xcessphotos.

Exchange Procedures

An exchange generally occurs when a vendor delivers a replacement item and removes the item being replaced. This may take place at separate locations if the item to be replaced was generated by one organizational unit and the item to be acquired will be assigned to another organizational unit.

Sale Methods and Procedures

The methods, terms, and conditions for the sale of exchange/sale property are contained in 41 CFR 102-39. Negotiated sales of such property are limited to proceeds of $500 or less.

Availability of Exchange/Sale Proceeds

Exchange/Sale proceeds are accounted for as prescribed in Government Accountability Office Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, Fiscal Procedures Section 14-4. Application of proceeds is as follows:

- When the property is sold before acquisition of the replacement property, the proceeds are credited to the agency's account using SF 1081, Voucher and Schedule of Withdrawals and Credits, or other approved forms, and are available for acquisition of the replacement item for the remainder of the fiscal year and one fiscal year thereafter. Proceeds not obligated within the time limit revert to miscellaneous receipts of the Treasury.
- When the property is sold after the acquisition of the replacement property, the proceeds are generally deposited as a direct reimbursement credit to the appropriation from which the replacement item was purchased.
- Exchange/Sale transactions may involve more than one organizational unit. Sale proceeds from an eligible item sold from one property account may be applied to the cost of a similar item acquired by another organizational unit of that agency.

Abandonment and Destruction Guidelines
(41 CFR 102-36)

The disposal process for federal excess and surplus property consists of utilization, donation, sale, and abandonment or destruction. Property normally reaches the abandonment or destruction phase only after utilization, donation, and sale efforts have produced no results.

Abandonment and Destruction Criteria

Property may be abandoned or destroyed when an agency official has made a written determination that:

- The property has no commercial value. No commercial value means that the property, through an agency's determination has neither utility nor monetary value (either as an item or as scrap).
- The cost of care, handling, and preparation of the property for sale would be greater than the expected sales proceeds (estimated fair market value).

The following restrictions apply:

- You must not abandon or destroy property in a manner which is detrimental or dangerous to public health or safety. Additional guidelines for the abandonment/destruction of hazardous materials are prescribed in 41 CFR 101-42.
- If you become aware of a customer that has interest in purchasing surplus federal property, you must implement sales procedures in lieu of abandonment/destruction. A written determination to abandon and destroy federal property must be made by an authorized official of your agency and approved by a reviewing official who is not directly accountable for the property. This documentation provides certification and written substantiation that the property has no further utilization, donation, or sales value. This documentation is developed by the individual federal agency; however, its content should coincide with the criteria and guidelines set forth in 41 CFR 102-36. Abandonment or destruction of federal excess and surplus property must be documented properly and must meet all audit trail requirements. Great care should be taken to fully justify, document and trace all actions related to abandonment or destruction.

Finally, in lieu of abandonment/destruction, you may donate such excess personal property to a public body without GSA approval. (A public body is any department, agency, special purpose district, or other instrumentality of a state or local government; any Indian tribe; or any agency of the federal government.) Additionally, if you become aware that a nonpublic and eligible nonprofit organization has interest in the property, you must contact your GSA Regional Personal Property Management Office, (see www.gsa.gov/ppmo) and implement donation procedures in accordance with 41 CFR 102-37.

Gifts
(41 CFR 102-36 AND 102-42)

Federal agencies or agency employees occasionally receive and accept unconditional gifts (those with no stipulations concerning their use) or gifts presented by foreign governments. If your agency has gift retention authority, you may retain gifts for official use or display. Otherwise, you must report gifts you receive on a SF 120 to GSA. You must report domestic gifts in accordance with FMR 102-36 and foreign gifts in accordance with 41 CFR 102-42.

These gifts are subject to the following disposal provisions:

Gifts from the Public (41 CFR 102-36)

- Report intangible personal property to GSA, Personal Property Management Division, 470 L'Enfant Plaza East, SW, Suite 8100, Washington, D.C. 20407. You must not transfer or dispose of this property without prior approval of GSA. The Secretary of the Treasury will dispose of money and negotiable instruments such as bonds, notes, or other securities under the authority of 31 U.S.C. 324.
- When the gift is offered with the condition that the property be sold and the proceeds used to reduce the public debt, report the gift to the GSA Regional Personal Property Management Office, (see www.gsa.gov/ppmo) in which the property is located. GSA will convert the gift to money upon acceptance and deposit the proceeds into a special account of the U.S. Treasury.
- When the gift is offered with no conditions or restrictions, and your agency has gift retention authority, you may use the gift for an authorized official purpose without reporting to GSA. The property will then lose its identity as a gift and you must account for it in the same manner as federal personal property acquired from authorized sources. When the property is no longer needed, you must report it as excess personal property to GSA.
- When the gift is offered with no conditions or restrictions, but your agency does not have gift retention authority, you must report it to the GSA Regional Personal Property Management Office. GSA will offer the property for screening for possible transfer to a federal agency or convert the gift to money and deposit the funds with U.S. Treasury. If your agency is interested in keeping the gift for an official purpose, you must annotate your interest on the SF 120 and also submit a SF 122.

Foreign Gifts

- A foreign gift is a monetary or nonmonetary present (other than a decoration) offered by or received from a foreign government or government official. Minimal value (currently $305) is a retail value in the United States at the time of acceptance. GSA, in consultation with the Secretary of State, will adjust the current value every 3 years. *(Note: The Attorney General may bring a civil action in any district court of the United States against any employee who knowingly solicits or accepts a gift from a foreign government not consented to by 5 USC 7342 or any employee who fails to deposit or report such gift as required by this law. The court may assess a penalty against such employee in any amount not to exceed the retail value of the gift improperly solicited or received plus $5,000.)*
- When nonmonetary foreign gifts of more than the current minimal value are accepted, the gifts become the property of the United States Government, not the employee (or recipient), and must be reported to the employing agency within 60 days of acceptance. The employing agency will determine if the gift or decoration will be retained for official use. However, federal employees may accept and retain foreign gifts at or below the current minimal value ($305 or less) provided the regulations of the employing agency permit the employee to do so.
- When a foreign gift (or decoration) above minimal value is not retained for official use (or returned to the donor), the employing agency must report it as excess personal property to GSA on a Report of Excess Personal Property (SF 120) prepared in accordance with 41 CFR 102-42.95. Nonmonetary gifts (or decorations) that are retained for official use must be reported to GSA as excess property within 30 days after termination of the official use. The SF-120 must be sent to GSA's National Central Office Property Management Division, (call (703) 605-5610 for mailing address) and mark it "FOREIGN GIFTS AND/OR DECORATIONS."
- Foreign gift recipients may purchase gifts that exceed minimal value; however, the employing agency must retain physical custody until purchase action is complete. In these cases, the employing agency must submit an SF 120 along with an original copy of a commercial appraisal of the gift. The appraisal must be obtained and paid for by the employing agency before the gift (or decoration) is reported to GSA. The appraisal must also be prepared within the United States on official company letterhead, dated and expressed in U.S. dollars.
- GSA will accept physical custody of gifts above the minimal value that employees decline to purchase, or decorations that are not retained for official use or returned to donors. However, GSA will not accept physical custody of foreign gifts of alcohol or firearms.
- Foreign gifts may be requested by federal agencies for transfer for official use by submitting a Transfer Order, Excess Personal Property (SF-122) to the GSA's National Central Office Property Management Division for approval.
- Gifts not required for federal use nor sold to the employee (recipient) are made available to the SASPs for donation to eligible public agencies and eligible nonprofit, tax-exempt activities. Requests for donations must be submitted on a Transfer Order of Surplus Personal Property (SF-123) to the respective SASP.

- **Monetary Gifts** When an employee receives a monetary gift above the minimal value:
  (1) The employee must report the gift to his/her employing agency within 60 days after accepting it.
  (2) The employing agency must report a monetary gift with possible historic or numismatic (i.e., collectible) value to GSA; or deposit a monetary gift that has no historic or numismatic value with the Department of the Treasury.

Property With Special Handling Requirements

The following categories of personal property have special handling requirements associated with disposition. For specific questions, contact the appropriate GSA Regional Personal Property Management Office, (see www.gsa.gov/ppmo).

Abandoned or Other Unclaimed Property This type of personal property, if not disposed of through independent statutory authority, should be reported to GSA 470 L'Enfant Plaza East, SW (Suite 8100), Washington, DC 20407. Abandoned or other unclaimed property may be retained for official use or processed for transfer, donation or disposal as provided in 41 CFR 101-48. Reimbursement equivalent to the estimated fair market value or actual sales proceeds, less costs of care and handling, must be deposited in a special account by the finding or transferor agency to reimburse former owners if they file a proper claim within three years. (Reference 41 CFR 101-48.)

Aircraft Aircraft in Federal Supply Classification (FSC) Class 1510 (fixed wing) and FSC 1520 (rotary wing) are reported to GSA Property Management Office, 450 Golden Gate Avenue, San Francisco, California 94102-3434. All aircraft components, engines, other parts and accessories are reportable to the appropriate GSA regional office based on property location when reportable criteria are met in accordance with 41 CFR 102-36.340.

Controlled Substances Transferable only to federal agencies registered with the Drug Enforcement Administration (DEA) as authorized to acquire such property. Requesting agencies will certify on the transfer order that they are registered with DEA and include their registration number.

Demilitarization Defined by Department of Defense (DoD) as the act of destroying the military capabilities inherent in certain types of equipment or material. Such destruction may include deep sea dumping, mutilation, cutting, crushing, scrapping, melting, burning or alteration so as to prevent the further use of the item for its originally intended purpose. When conducting transactions that involve the transfer, donation or other disposition of surplus and foreign excess personal property designated as arms, ammunition and implements of war and other military type items, you must follow the demilitarization guidelines set forth in Defense Demilitarization Manual (DoD 4160.21-M-1), 41 CFR 101-42, 101-45, 102-36 and 102-37).

Drugs, Biologicals, and Reagents Other Than Controlled Substances These items may be transferred among federal agencies; however, potential donees or purchasers must obtain Food and Drug Administration (FDA) clearance and follow procedures as set forth in 41 CFR 101-42.1102-5.

Firearms Unless you have specific statutory authority to do otherwise, excess firearms may be transferred only to those federal agencies authorized to acquire firearms for official use. GSA may donate certain classes of surplus firearms to state and local government activities whose primary function is the enforcement of applicable federal, state, and/or local laws and whose compensated law enforcement officers have the authority to apprehend and arrest. Firearms not transferred or donated must be destroyed and sold as scrap. For additional guidance on the disposition of firearms refer to FPMR 101-42.1102-10 and the "Firearms Transfer Guidelines" at www.gsa.gov/firearmstransfer. Firearms are reported to GSA's Property Management Office, P.O. Box 25506, DFC, Bldg. 41, Denver, CO 80225-0506.

Forfeited Property This property is processed as provided by statutory authorities of the seizing agency or, in the absence of such authority, under the provisions of 41 CFR 101-48. Forfeited property subject to 41 CFR 101-48.1 may be retained by the seizing agency for official use or reported for utilization and disposal to GSA Property Management Office, 470 L'Enfant Plaza East, SW, Suite 8100, Washington, DC 20407.

Hazardous Personal Property With respect to public health and safety, hazardous property must be handled and used in accordance with current Occupational Safety and Health Administration (OSHA) regulations, transported in accordance with current Department of Transportation (DOT) regulations and disposed of in accordance with current Environmental Protection Agency (EPA) regulations. (See 41 CFR 101-42 and 102-36.)

Mattresses, Bedding and Upholstered Furniture These items must be treated for reuse or disposed of in accordance with state laws and health regulations. Consult your respective GSA Regional Personal Property Management Office for transfer or sales documentation requirements.

Nonappropriated Fund Property Title to excess personal property furnished to a non-appropriated fund activity by the federal government remains with the government. When such property is no longer required by the nonappropriated fund activity, it must be reused or disposed of by the owning federal agency as federal property. Likewise, any property purchased by a nonappropriated fund activity is not federal property. A nonappropriated fund activity has the option of making its privately owned personal property available for transfer to a federal agency, usually with reimbursement. If such reimbursable personal property is not transferred to another federal agency, it may be offered for sale. Such property is not available for donation. (See 41 CFR 102-36.165, 102-36.170 and 102-37.40.)

Shelf Life Items Since these items have unstable characteristics or deteriorate over time, storage periods must be assigned to assure they are issued within this period to provide for satisfactory performance (as well as usage). Management of such items is governed by 41 CFR 101-27 and excess reporting requirements can be found in 41 CFR 102-36.450 through 102-36.465.

Vehicles Motor vehicle replacement standards specify the minimum number of years in use or miles traveled at which an executive agency may replace a government-owned motor vehicle. For federal guidelines and documentation requirements for the replacement, use, transfer, donation and sale of vehicles, see 41 CFR 102-34, 102-36, 102-37, 102-38, and 102-39, as appropriate.

Vessels The Maritime Administration shall dispose of surplus vessels of 1,500 gross tons or more which the Administration determines to be merchant vessels or capable of conversion to merchant use. The vessels shall be disposed of in accordance with the Merchant Marine Act, 1936 (46 App. U.S.C. 1101 et seq.), and other laws authorizing the sale of such vessels. Disposal instructions regarding vessels do not apply to battleships, cruisers, aircraft carriers, destroyers, and submarines. (See 41 CFR 102-36.470 and 10 USC 548.)

Annual Reports

Transfers to Nonfederal Recipients

Executive agencies must submit an annual report, in letter form, of personal property furnished to nonfederal recipients. The report must reference all property originally obtained as excess or as property determined to be no longer required for the purposes of the appropriation from which it was purchased. The report (Interagency Report Control Number 0154-GSA-AN) must reference 41 CFR 102-36 and list the recipients' names and addresses, status (i.e., cost-reimbursable contractor, project grantee, etc.), total acquisition cost of all property furnished, and identified by each applicable two-digit FSC code. The report is sent to the GSA/Office of Governmentwide Policy (MTP), 1800 F Street, NW, Washington, DC 20405 within 90 calendar days after the close of each fiscal year. Negative reports are also required. GSA will subsequently submit a summary of these "Nonfederal Recipient Reports" to Congress.

Annual Exchange/Sale Summary Report

Federal agencies must submit a summary report of all exchange/sale transactions made during the fiscal year (except for transactions involving books and periodicals in your libraries) within 90 calendar days after the close of each fiscal year. Negative reports must also be provided for fiscal years for which no transactions have occurred. The report may be in the format of your agency's choice and must include the following information:

(1) Cite Report Control Number: 1528-GSA-AN.

(2) List all property sold by Federal Supply Classification Group in the following categories:

- (a) Number of items sold
- (b) Acquisition cost
- (c) Net proceeds

(3) List property exchanged by Federal Supply Classification Group of property in the following categories:

(a) Number of items exchanged

(b) Acquisition cost

(c) Exchange allowance

You may submit the exchange/sale summary report electronically by calling 1 (866) 806-PROP to ask for the current e-mail address for submission. You may also submit the exchange/sale summary report by mail to:

General Services Administration
Personal Property Management Policy Division (MTP)
1800 F Street, NW
Washington, DC 20405

Federal Supply Classifications (FSCs)

The FSC is a commodity classification designed to serve the functions of supply and permits the classification of all items of personal property. FSC "Groups and Classes" have also been established for the various commodities, with emphasis on the items known to be in the supply systems of the federal government. The structure of the FSC, as presently established, consists of 78 groups identified by two numeric characters. These FSCs are also subdivided into classes. The two character Federal Supply Group (FSG) identifies the major commodity area covered by classes within the group while the "class" covers a given area of commodities with respect to their physical or performance characteristics, or with respect to the fact that certain items are usually requisitioned or issued together, or constitute a related grouping for management purposes. *(Note: Groups 21, 27, 33, 50, 57, 64, 82, 86, 90, 92, 97, and 98 are currently unassigned.)* FSCs are listed in the Cataloging Handbook, H2-1, Federal Supply Classification, Part 1, Groups and Classes, which may be accessed via www.dlis.dla.mil/PDFs/h2.pdf.

Commodity Categories

The commodity category is a group of Federal Supply Classifications (FSCs) that share a single "end use" group or purpose. Commodity categories are not Federal Supply Groups; they are commodity groupings. These lists provide an easy method of identifying and screening needed property in GSAXcess®. GSA's commodity code list may be accessed via www.gsaxcess.gov, then by clicking on "User Guides."