



U.S. General Services Administration

# Personal Property Disposal Guide



One Country. One Mission. One Source.

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# Personal Property for Reuse and Sale



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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, efficient utilization and disposal of government-owned personal property is one of the most important phases in the Federal Personal Property Management Program (hereinafter referred to as "the 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 of excess personal property no longer required by federal agencies and designated as surplus by GSA.
- Sale of surplus property not selected for donation, with options including proceeds being shared by the owning agency and 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 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 more detailed and comprehensive coverage of specific personal property disposal policies and procedures.

If you have questions regarding topics found in this guide, contact your respective GSA Regional Personal Property Management Office at [www.gsa.gov/ppmo](http://www.gsa.gov/ppmo) or Area Property Officer (APO) at [www.gsa.gov/apo](http://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 GSA 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 transfer, donation or sale of usable excess and surplus property and the abandonment or destruction (or other actions) of non-usable property. (See 41 CFR 102-37.290.)

**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.

**Educational institution** – An approved, accredited, or licensed public or nonprofit institution, facility, entity or organization conducting educational programs or research for educational purposes, such as a child care center, school, college, university, school for the mentally or physically disabled, or an educational radio or television station.

**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.

**Exchange/Sale Property** – Non-excess items that are authorized to be exchanged or to be sold, with the exchange allowance or proceeds of sale to be used in whole or part payment for purchase of similar items.

**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).

**GSA Auctions<sup>SM</sup>** – GSA’s website to offer personal property sales to the general public. For information on GSA Auctions, visit [www.gsaauctions.gov](http://www.gsaauctions.gov).

**GSAXcess®** – GSA’s website for reporting, searching and selecting excess personal property. For information on using GSAXcess®, visit [www.gsaxcess.gov](http://www.gsaxcess.gov).

**Line Item** – A single line entry on a property report that 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).

**MySales** – GSA’s website for reporting activities to review their property reported to GSA for sales.

**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 the Department of Health and Human Services’ Indian Health Service).

**Nonprofit** – An organization not organized for profit and exempt from federal income tax under section 501 of the Internal Revenue Code (26 U.S.C. 501).

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

**Public agency** – Any state, or political subdivision thereof, including: any unit of local government or economic development district; any department, agency, or instrumentality thereof, including instrumentalities created by compact or other agreement between states or political subdivisions; multijurisdictional sub-state districts established by or pursuant to state law; or any Indian tribe, band, group, pueblo, or community located on a state reservation.

**School** (*except schools for the mentally or physically disabled*) – A public or nonprofit approved or accredited organizational entity devoted primarily to approved academic, vocational or professional study and instruction, that operates primarily for educational purposes on a full-time basis for a minimum school year and employs a full-time staff of qualified instructors.

**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.

**Surplus Reimbursable Property** – Surplus property from which agencies may retain a portion of the receipts to cover their expenses related to the sale of such property.

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

# Zero Environmental Footprint

GSA has set a goal to help the government achieve a zero environmental footprint (ZEF). Personal property plays an important role in helping agencies move in that direction. The reuse programs addressed in this guide provide direct benefits to our environment by finding reuse for property initially identified as no longer needed in the original owning federal activity. Although often not thought of in the same way, even sales is, in a manner of speaking, a reuse program, albeit positioning property for reuse in the private sector. Taken together, the overall property program emphasizes reuse, which is the best positioning of any excess or unneeded property. Proper use of the personal property program should assist all agencies in achieving the waste reduction goal required by Executive Order 13514, Federal Leadership in Environmental, Energy, and Economic Performance.

GSA has been leading government reuse of property since its inception in 1949. Some have referred to Personal Property as the "original green program". There is much more to being a "green" program. GSA will continue to strive to lead the way in reuse of government property, finding reuse and alternate use possibilities to reposition property taxpayers have already purchased for government's use. Reuse provides the greatest environmental benefit, as opposed to other sources of property. And reuse, in many definitions, is a form of recycling: to alter or adapt for new use without changing the essential form or nature; to undergo reuse or renewal; be subject to or suitable for further use.

So, now, our green theme for Personal Property...

## Reuse is Recycling...

# 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 de-



terminated 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;
- (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.

**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)(2) as follows:
  - Mixed-ownership government corporations;
  - The municipal government of the District of Columbia; and
  - A requisitioning nonfederal agency 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 102-36.90, 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](http://www.gsaxcess.gov).
- (b) Submit a “Want List” in GSAXcess®.
- (c) Check any available holding agency websites (see [www.usa.gov](http://www.usa.gov) for a list of federal agencies’ websites).
- (d) Conduct on-site screening at various federal facilities. (The screening period for excess personal property is normally 21 days.)
- (e) Contact GSA Personal Property Management ([www.gsa.gov/ppmo](http://www.gsa.gov/ppmo)) or local GSA Area Property Officers ([www.gsa.gov/apo](http://www.gsa.gov/apo)) for additional guidance/assistance.

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. Normally, GSA will give preference to the agency that will retain title in the government. Requests for property for the purpose of cannibalization will usually be subordinate to requests for use of the property in its existing form.

## Direct Transfer Criteria (41 CFR 102-36.145)

Certain direct transfers of excess personal property may be made between 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 pre-arranged 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 U.S. 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 can use to report, search and select property. This “real-time” system 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 a user ID 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](http://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 permission levels for GSAXcess® user access vary among federal agencies.*) To locate applicable NUO or APO points of contact, visit [www.gsa.gov/nuo](http://www.gsa.gov/nuo) or [www.gsa.gov/apo](http://www.gsa.gov/apo), or call the GSAXcess® Help Desk at (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 Contracting Officer or National Guard Bureau/U.S. Property and Fiscal Officer (USP&FO). If assistance is required, contact the GSAXcess® Help desk at (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](http://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](mailto:gsaxcess@gsa.gov). If necessary to submit request by letter, mail to: 2200 Crystal Drive, suite 706, Arlington, VA 22202.

**GSAXcess® User ID 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; or
- State Agency for Surplus Property (Director).

The letter or e-mail must also state that the author is requesting a user ID 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](mailto:gsaxcess@gsa.gov). If necessary to submit request by letter, mail to: 2200 Crystal Drive, suite 706, Arlington, VA 22202.

For more information about GSAXcess®, visit [www.gsa.gov/gsaxcess](http://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.
- 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.

### **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 follow-ups to obtain correct (and necessary) information, delays to the disposal process, and, often, 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 (six-digit activity address code and four-digit Julian date);
- (3) Four-digit 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 (41 CFR 102-36.240);
- (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 numbers, 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) The Sales Center that your agency selected to conduct the sale of reported property if it is not transferred or donated; or indicate that your agency has an approved waiver.

Pictures also provide a great way to advertise excess property, as GSAXcess® has the capacity to upload digital photos. Customers can e-mail (or mail) digital photographs to GSA for display on GSAXcess®. Instructions are located at [www.gsa.gov/xcessphotos](http://www.gsa.gov/xcessphotos).

### Disposal Condition Codes (41 CFR 102-36.240)

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 in new or unused condition that can be used immediately without modifications or repairs.

**4 USABLE** — Property that shows some wear but can be used without significant repair.

**7 REPAIRABLE** — Property that is unusable in its current condition but can be economically repaired.

**X SALVAGE** — Property with value in excess of its basic material content, but repair or rehabilitation is impractical and/or uneconomical.

**S SCRAP** — Property that has no value except its basic material content.

### Excess Property Not Required to be Reported to GSA (41 CFR 102-36.220)

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

## Reporting Points and Regulatory Guidance for Certain Items Requiring Special Processing

Type of property	Report Excess To GSA Regional Office	41 CFR Excess Reference	41 CFR Donation Reference
Aircraft <sup>1</sup>	San Francisco	102-36.340	102-37.225 102-37.230 102-37.460
Animals <sup>2</sup>	Philadelphia	102-40.145	102-40.145
Firearms <sup>3</sup>	Denver	102-36.375	102-40.170
Foreign Gifts	Central Office	102-36.420 102-42	102-42
Forfeited Property	Washington, DC	102-41	102-41
Standard Forms	Fort Worth	102.36.125(b)	None
Vessels, Civilian <sup>4</sup>	Atlanta	102-36.470	102-37.225 102-37.230 102-37.455 102-37.460
Vessels, DoD <sup>4</sup>	Philadelphia		Same as for civilian vessels

*Note:* See [www.gsa.gov/ppmo](http://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) **ANIMALS** – Special terms, conditions, handling and documentation apply for certain animals.
- (3) **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*.
- (4) **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, "Educational Technology: Ensuring Opportunity for all Children in the Next Century." 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), which is 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.

Donations of computers are authorized by law through 40 USC 549. Unlike direct transfers, transfers of computers reported to GSA for utilization and donation screening 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 as excess. 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 can report



their property to GSAXcess®. Schools and educational nonprofit organizations that wish to receive reported items must register with the program via the CFL website at [www.computersforlearning.gov](http://www.computersforlearning.gov). Through the CFL website, schools can search for computers and related equipment that has been reported by federal agencies in GSAXcess®. When a school selects items on the CFL website, the reporting agency is notified of the school's request and can choose to allocate its computers to the school. After allocation, the receiving school or nonprofit can pick up the property within a certain time period, completing the transfer. The school or educational nonprofit organization is responsible for the shipping and handling costs. The school must also accept the responsibility for disposal of the computers in an environmentally safe manner when it is no longer needed.

If the computers and related peripheral equipment (mostly FSC 70) that is reported by an agency is not selected by a school or educational nonprofit after seven days, the property will automatically move through the rest of the disposal process. The property will be screened for 14 days for possible transfer to another federal agency or donation through the Federal Surplus Personal Property Donation Program authorized under Title 40 USC 549.

Federal agencies also have the option of transferring computers to schools and educational nonprofit organizations without reporting the items into GSAXcess® for viewing on the CFL website. Agencies sometimes chose to do this if they already know of a school in their area that wants the computers. However, after a transfer has been completed, agencies can still benefit from using GSAXcess® by making use of the system's CFL PostTransaction Module (PTM), which provides a way to account for computers after they have been transferred to a school or educational non-profit organization. While not directly participating in the established CFL process, it will allow an agency's FSC Class 70 equipment to be accounted for in the Annual Non-Federal Recipients Report, in accordance with 41 CFR 102-39.75.

If you have questions, contact the CFL Help Desk by e-mail at [computers.learning@gsa.gov](mailto:computers.learning@gsa.gov) or by phone at (866) 333-7472.

## **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 and Private Schools**

A school is eligible to receive donations through the CFL program if it is a public, private, or parochial school serving pre-kindergarten through grade 12 students. Schools must provide a valid National Center for Educational Statistics (NCES) number (<http://nces.ed.gov/>). Daycare 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 ([www.irs.gov/](http://www.irs.gov/));
- (2) Serve some portion of the pre-kindergarten through grade-12 population;  
and
- (3) Operate primarily 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 non-profit 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. Each school and educational non-profit organization should indicate whether it is located within an EZ/EC upon registration in the CFL program. Federal agencies shall attempt to give particular preference to schools and educational non-profit organizations located in EC/EZs. For more information on EZ/EC schools, visit [computersforlearning.gov](http://computersforlearning.gov) and click “Eligibility” to visit HUD’s EZ/RC website and locator for eligible schools and educational non-profit organizations.

### **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. 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) as prescribed in 41 CFR 102-36.295 – 41, CFR 102-36.300. This report should list computer equipment by type, 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 GSAXcess® website, including the PostTransaction Module (PTM), the system 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 non-profit 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, animals, 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;
- Educational activities of special interest to the armed services (e.g., American National Red Cross, Armed ServicesYMCA of the USA, Boy Scouts of America, Naval Sea Cadet Corps) commonly referred to as Service Educational Activities (SEA); and
- Public airports.

Each eligible program participant may submit requests for property directly to the 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](http://www.gsa.gov/sasp).

## **SASP Donation Guidelines**

Excess property becomes surplus the day after utilization screening has been completed in GSAXcess® (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, GSA may approve SASP requests for transfer of surplus property from federal holding agencies to eligible donees. Transfer requests are 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.

## **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) Non-appropriated fund property;
- (d) Naval vessels of the following categories: battleships, cruisers, aircraft carriers, destroyers and submarines;
- (e) Vessels of 1,500 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 Government-wide Policy.

## Property Screening, Selection, Allocation and Removal Periods (41 CFR 102-36, 102-37)

Screening is the process of viewing property in GSAXcess® or physically inspecting property or reviewing 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 12 for information on requesting a “user ID.”
- (b) Check any available holding agency websites (see [www.usa.gov](http://www.usa.gov));
- (c) Conduct “physical” on-site screening at various federal facilities; and
- (d) Contact the GSA Regional Personal Property Management Offices (see [www.gsa.gov/ppmo](http://www.gsa.gov/ppmo)).

**Screening Period** – Generally, a 21-day period during 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, section, page 8). 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 larger	SRD = Report Date + 60 days
Aircraft	SRD = Report Date + 90 days
Furniture	SRD occurs after 14 days of screening

Screening of DoD property at Defense Logistics Agency (DLA) Disposition Service offices also 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 in GSAXcess® through the process of placing items in a "virtual shopping cart" and processing through checkout, 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.

**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 DLA Disposition Service offices 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.

## 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 five 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 determi-

nation. 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 be provided only during the five-day donation allocation period after the SRD (except firearms, for 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 electronically approve the allocation through GSAXcess® or 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). Once the GSA APO or AO receives an approved electronic excess or surplus transfer order from the requesting agency’s Approving Official, the APO or AO will approve the transfer order and requisition the property in GSAXcess®. At this point, the requesting agency must make arrangements for the physical removal of the property. For cases in which 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 “pick-up” timeframe 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 Non-DoD Agencies** – 15 days. 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/rtd03/conditioncode.shtml](http://www.drms.dla.mil/rtd03/conditioncode.shtml).
- **Defense Logistics Agency Disposition Service offices (DLA Disposition Services)** – 21 days from the date of allocation.

The requesting agency is responsible for shipping and transportation costs. Where applicable, the requesting agency may be required to pay costs for packing and 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 who actually receive the property. Non-donated surplus property is offered for sale to the public by competitive offerings as discussed in the following section.

# GSA Federal Surplus Personal Property Sales Program

## (41 CFR 102-38)

The GSA Federal Surplus Personal Property Sales Program is an approved Federal Asset Sales Center for the sale of surplus, exchange/sale and forfeited personal property nationwide, and includes all Federal Supply Classifications (FSC). After property goes through the donation process, 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 must select an Office of Management and Budget (OMB) approved sales center to sell their personal property. 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 through the following methods:

- Items are available for sale on our website at [www.gsaauctions.gov](http://www.gsaauctions.gov) 24 hours a day, seven days a week;
- As an approved Sales Center, all items sold by GSA are also visible on [www.GovSales.gov](http://www.GovSales.gov);
- 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](http://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](http://www.fedbizopps.gov) or by calling (703) 472-3779. (Note: FedBizOpps is the single Government Point-of-Entry [GPE] for federal government procurement opportunities more than \$25,000.)

Exchange/sale/reimbursable items are offered to the States as “presale” items by negotiated sale at a fixed price in accordance with 41 CFR 102-39.55 which also suggests that an agency should arrange for reimbursable transfer of exchange/sale property to a federal agency or other eligible organization, or sell such property to a State Agency for Surplus Property (SASP) to the maximum extent practicable.

## Methods of Sale (41 CFR 102-38)

**GSA Auctions<sup>sm</sup>** GSA Auctions<sup>sm</sup> ([www.gsaauctions.gov](http://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<sup>sm</sup> 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.

### **Live Auction**

GSA may hold an auction when a large number of items for sale exists 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. Many 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, a spot bid and a 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 bidding on the same day and at the same time. Bidders must be present to participate, and mailed bids are not acceptable. Registration is required at the inspection site to obtain each 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 an 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 sales 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.

### **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 in which, 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 bids 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 reoffered.

## **Conditions of Sale**

GSA sells used personal property according to the U.S. Government's SF 114C, “General Sale Terms and Conditions” or GSA Auctions' special “Online Sale Terms and Conditions.” Customers may ask to review a copy of the SF114C at any of the GSA regional sales offices. Please carefully study the terms and conditions in the IFB, as well as 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 U.S. federal, state, or local government checks; MasterCard, Visa, Discover (Novus), American Express, processed manually or online through the Department of Treasury's electronic payment service via GSA Auctions' bidder's summary page. 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 or GSA.

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 that (1) payment is guaranteed, (2) the guarantee is valid for 30 days after the bid opening date, and (3) 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 be 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.

## **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 with 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 and transportation – may be accomplished using commercial contracts);
- Better prices due to consolidation of sales; and
- Computer information systems and financial services.

## **Rates**

GSA establishes national rates for basic personal property sales services. The current basic service rates can be located via the GSA website [www.gsa.gov/property](http://www.gsa.gov/property). 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;
- On-site contracting officer;
- Award document preparation;
- On-site 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](http://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 forfeited 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 a disk mailed 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 buildings and land. Information on real-property sales can be obtained through the Real Property Utilization and Disposal website at [propertydisposal.gsa.gov](http://propertydisposal.gsa.gov). Sales of real property can be found on the GSA Auctions<sup>SM</sup> website at [www.gsauctions.gov](http://www.gsauctions.gov).

## GovSales (41 CFR 102-38)

GovSales is a product of the Federal Asset Sales Program. Its mission is to create a secure, efficient and effective online marketplace that will serve as a single-point for the public to find and buy federal assets.

Each year the federal government sells billions of dollars of surplus, forfeited and exchange/sale assets. GovSales was launched to make it easier for citizens and businesses to locate government assets for sale and to effectively improve the promotion of government sales through a centralized, citizen centered website and additional advertising.

**GovSales objectives are to:**

- Make it easier for citizens and businesses to find and buy government assets;
- Increase agencies' net proceeds from asset sales;
- Decrease agencies' expenses related to asset sales;
- Accelerate asset sales time;
- Leverage economies of scale and reach a broader customer base; and
- Take advantage of market driven “best in class” practices and solutions.

All agencies now sell their unwanted assets using the Sales Center (SC) market-driven approach for asset sales.

**Visit the website at [www.govsales.gov](http://www.govsales.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 that 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 an 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 (FSC) 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** Nuclear reactors (FSC 4470 only);
- 51** Hand tools;
- 54** Prefabricated structures and scaffolding (FSC5410 Prefabricated and Portable Buildings, FSC 5411 Rigid Wall Shelters, and FSC 5419 Collective Modular Support System only);
- 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 1005) for which the applicable DoD demilitarization requirements (and any other applicable regulations and statutes) are met (see 41 CFR 102-39.60).*

## 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 similar property;
- (c) The property exchanged or sold was not acquired for the principal purpose of exchange or sale;

- (d) When replacing personal property, the exchange allowance or sales proceeds from the disposition of that property may be used only to offset the cost of the replacement property, not services; and
- (e) Except for transactions involving books and periodicals in your libraries, you document the basic facts associated with each exchange/sale transaction. At a minimum, the documentation must include:
  - (1) The FSC Group of the items exchanged or sold, and the items acquired;
  - (2) The number of items exchanged or sold, and the number of items acquired;
  - (3) The acquisition cost and exchange allowance or net sales proceeds of the items exchanged or sold, and the acquisition cost of the items acquired;
  - (4) The date of the transaction(s);
  - (5) The parties involved; and
  - (6) A statement that the transactions comply with the requirements of this part 102–39.

**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 or fair market reimbursement. The requirement for submission of a digital photograph remains when a federal agency elects *not* to report its 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](http://www.gsa.gov/ppmo)) for surplus sale, a digital photograph must be provided via e-mail or a disk mailed using postal/delivery services. For guidelines on submission of digital photographs, visit [www.gsa.gov/xcessphotos](http://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

You must account for exchange allowances or proceeds of sale in accordance with the general finance and accounting rules applicable to you. Except as otherwise authorized by law, all exchange allowances or proceeds of sale will be available during the fiscal year in which the property was sold and for one fiscal year thereafter for the purchase of replacement property. Any proceeds of sale not applied to replacement purchases during this time must be deposited in the U.S. Treasury as miscellaneous receipts. (41 CFR 102-39.80)

# MySales

The MySales website, [www.mysales.fas.gsa.gov](http://www.mysales.fas.gsa.gov), offers customer agencies the benefit of managing their personal property. MySales is divided into two distinct functional areas. The first is the Custodial Functions module, which is an item-management tool. By using MySales, property officers and custodians will be able to review sale item status and withdraw available items from the sale process. Future options will allow property officers and custodians to report a new item for sales, modify line-item data, and respond to messages sent to them from GSA. Eventually, custodians will also be able to post pickups from remote locations. In addition, MySales provides a Custodial User Maintenance screen available only to those authorized officials and designated persons appointed by the agency. The user will be able to add or delete users, update user information, and change his or her password and levels of access.

## Abandonment/Destruction Guidelines (41 CFR 102-36.305 – 41 CFR 102-330)

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/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 that 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 documenta-



tion 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 – 36.320. 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 non-public and eligible nonprofit organization has interest in the property, you must contact your GSA Regional Personal Property Management Office, (see [www.gsa.gov/ppmo](http://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 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, 490 L'Enfant Plaza East, SW, Suite 8214, Washington, D.C. 20407. You must not transfer or dispose of this property without prior approval from GSA. The Secretary of the Treasury will dispose of money and negotiable instruments such as bonds, notes, and/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](http://www.gsa.gov/ppmo)) in which the property is located. GSA will convert the gift to money upon acceptance and will 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 will need 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 (41 CFR 102-42)

- 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 \$335) 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 three 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 received, the gifts become the property of the U.S. 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 (\$335 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 SF 120, Report of Excess Personal Property, 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, Office of Personal Property Management, Utilization and Donation Program Division, 2200 Crystal Drive, suite 706, Arlington, VA 22202 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 purchasing action is complete. In these cases, the employing agency must submit an SF120 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 be expressed in U.S. dollars and represent the fair market value in the United States. Appraisals can also be done through current and reliable non-discounted retail websites, retail catalogs and retail price lists for the same item or model.

- GSA will accept physical custody of gifts and decorations 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 or display by submitting a SF 122, Transfer Order of Excess Personal Property, to GSA's National Central Office, Office of Personal Property Management, Utilization and Donation Program Division, for approval.
- Gifts not required for federal use nor sold to the employee (recipient) are made available to State Agencies for Surplus Property (SASPs) for donation to eligible public agencies and nonprofit, tax-exempt activities. Requests for donations must be submitted on a SF 123, Transfer Order, Surplus Personal Property, to the respective SASP along with a "Letter of Intent". A 10-year period of restriction applies to donated gifts.

**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. If you have specific questions, contact the appropriate GSA Regional Personal Property Management Office (see [www.gsa.gov/ppmo](http://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 490 L'Enfant Plaza East, SW (Suite 8214), 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 102-41.)

**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.

**Animals** – FMR 102-36 does not stipulate special handling requirements for most animals, so the traditional disposal process typically applies. However, optional methods exist for some species and may be exercised without GSA's approval or involvement. 40 USC 1308 addresses horses and mules. These animals may be destroyed, but the agency has the option of putting its horses or mules out to pasture on a government or private facility that is "financially sound and reputable." Canines are the subject of 41 CFR 102-36.365. The regulations allow for direct donation to an individual "who has experience handling canines in the performance of those official duties." Typical processes apply to the disposal of non-human primates, but transfer, donation and sale documents must address appropriate uses of non-human primates per 42 CFR 71:Scientific Research, Education, Exhibition. Given the limited applications for animals, sale is the typical outcome. In the interest of minimizing administrative costs while targeting a specialized purchaser base, GSA favors negotiated sales. Civilian agencies should report their excess animals to the GSA Mid-Atlantic Regional Office at 20 North 8th Street, 10th floor, Philadelphia, PA 19107.

**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 respective registration number.

**Demilitarization** – Demilitarization is 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, 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 102-40, 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 102-40.

**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 41 CFR 102-40.170. Firearms are reported to GSA's Property Management Office, P.O. Box 25506, DFC, Bldg. 41, Room 253, Denver, CO 80225.

**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 102-41. 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, 490 L'Enfant Plaza East, SW, Suite 8214, 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 102-40 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.

**Non-Appropriated 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 non-appropriated fund activity, it must be reused or disposed of by the owning federal agency as federal property. Likewise, any property purchased by a non-appropriated fund activity is not federal property. A non-appropriated 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. The 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 that 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.) Civilian vessels more than 50 feet in length are coordinated by GSA Property Offices in Atlanta, GA; DoD vessels more than 50 feet long are coordinated by offices in Philadelphia, PA. All vessels smaller than 50 feet are reported to the GSA Region in which the vessel is located. ([www.gsa.gov/ppmo](http://www.gsa.gov/ppmo)).

## Annual Reports (41 CFR 102-36)

### 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. Negative reports are required. 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 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; however, the report 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:
- Number of items exchanged
  - Acquisition cost
  - Exchange allowance

You may electronically submit the exchange/sale summary report by calling (866) 806-PROP and asking 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. FSCs are listed in the Cataloging Handbook, H2-1, Federal Supply Classification, Part 1, Groups and Classes, which may be accessed via <http://www.dlis.dla.mil/H2/default.asp>.

## 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](http://www.gsaxcess.gov) by clicking on “GSAXcess® User Guides.”

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