0340.04 Treatment of Federally Donated Property

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PURPOSE

To provide for the acquisition of goods declared surplus by the federal government and redistribution of these goods to eligible recipients within the state of Michigan (SOM).

APPLICATION

Includes, but is not limited to, Executive, Judicial and Legislative Branches of state government; tax-supported medical institutions, hospitals, clinics, health centers, museums, schools, colleges, universities and local units of government; other non-profit medical institutions, hospitals, clinics, health centers, museums, schools, colleges and universities; providers of assistance to the impoverished and to the homeless under the McKinney Act, which have been held exempt from taxation by the Internal Revenue Services under § 501(c)(3) of the Internal Revenue Code of 1954; Nonprofit and Public Programs for the Elderly, which receive funds appropriated for programs for older individuals under the Older Americans Act of 1965, as amended, under Title IV or Title XX of the Social Security Act, or under Titles VIII and X of the Economic Opportunity Act of 1964 and the Community Services Block Grant Act; and Service Educational Activities and Small Business Administration 8(a) Business Development, that meet the federal requirements and guidelines. Veteran Owned Small Business and Service-Disabled Veteran Owned Small businesses are eligible under the Veterans Small Business Enhancement Act, Public Law 115-416 of 2019. Veterans Organizations are eligible under 40 U.S.C. 549 (c)(3)(C).

CONTACT AGENCY

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SUMMARY

The Federal Surplus Property Program assists eligible participants of the program to locate federal surplus property using websites and other means. Administrative expenses of the program are covered by a service charge assessed to users of the program for the property received and services provided.

APPLICABLE FORMS

None.

REFERENCES

Administrative Guide Procedure 0340.05 Disposal of State Agency Personal Property

DTMB - Shop Surplus!

U.S. General Services Administration Personal Property Management System

Donee Portal

PROCEDURES

DTMB Federal Surplus Property Program

- Determines eligibility of applicants.
- On approval of the electronic Application for Eligibility to Receive Federal Surplus Property notifies approved applicants via email with pertinent information on how to acquire property.
- Arranges for the allocation of property requested by the participants.
- Establishes a service charge for property acquired and provides all services necessary for the transfer of property to eligible recipients.
- Performs periodic utilization reviews of property as required by federal regulations.
- Monitors use of property distributed through the program and reports violations of the terms and conditions to the proper federal authorities.
- The federal government may impose penalties for violation of the conditions including reimbursement and criminal prosecution.

Agency

- Terms, conditions, reservations, and restrictions for use of federal surplus property include:
    - Personal use of federal property is prohibited.
    - Property must be put into service within one year of the date it is received.
    - Property must be used continuously for a minimum of one year after being put into service with the following exceptions:
        - Non-combat-type aircraft and vessels exceeding 50 feet in length shall be used continuously for a minimum of five years after being put into service.
        - Passenger motor vehicles and items with a unit acquisition cost of $5,000 or more have an 18-month restriction.

        - Combat-type aircraft shall be used in perpetuity after being put into service.
    - At the conclusion of the use-restriction period, title to the property shall pass to the recipient. Regarding state agencies, such items will become the property of the state of Michigan. Disposal of any property acquired by participants is set by Federal Management Regulation 102-37.
- Application instructions:
    - Applications are completed and electronically submitted using the Donee Portal. The application must include the name of the person who will be the designated official and individual(s) authorized to complete transactions between the participant and the Federal Surplus Property Program.
    - Only the designated official and authorized agency personnel will be allowed to obtain federal surplus property.
    - In all cases, the designated official is responsible for the accuracy and updating of their donee file information and the use of the property acquired through the Federal Surplus Property Program.
- Participants are encouraged to search the U.S. General Services Administration Personal Property Management System website listing federal surplus when they have an acquisition requirement. The site is restricted to approved donees who are provided with a password for access.
    - When needed, federal surplus property is found and allocated to the eligible donee.
    - The Federal Surplus Property Program will prepare a Preliminary Invoice.
        - The Preliminary Invoice will show the identification number, nomenclature, quantity, and service charge for each item transferred to the donee.
        - The donee will be required to sign this form acknowledging transfer and receipt of the property as well as agreeing to comply with the terms, conditions, reservations, and restrictions placed on the use of the property.
        - A copy of the Preliminary Invoice will be provided to the donee organization.

DTMB Federal Surplus Property Program

- May require of the agency, a letter of intended use and documentation as to the ability to pay for transportation handling costs in certain cases where property, such as heavy equipment and aircraft, require special processing imposed by the U. S. General Services Administration.
- If requested, will maintain a property “want list” for agencies looking for special items not listed by the federal government as surplus. Should an agency property request be placed on a “want list,” the Federal Surplus

Property Program will search for the desired property and contact the requesting organization when the item has been located or becomes available.

Agency

- Transportation:
  - It is the responsibility of the receiving organization to pay the shipping charges to the transportation provider directly.
- Service Charges:
  - State agencies – Will be billed through SIGMA monthly.
  - State agencies must provide accurate account code information when a purchase or service is provided.
  - Non-state agencies – DTMB Financial Services will mail a bill to the organization and collect the service changes.

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