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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

MICHELLE LANGE
DIRECTOR

February 3, 2023

MEMORANDUM

TO: Federal Surplus Program Donees
FROM: Seth Wright, State Administrative Manager
SUBJECT: Assessment of Service Charges

Effective January 1, 2016, Michigan’s Federal Surplus Property Program revised its standard service charges on all direct transfers, including overseas transfers. This standard service charge will ensure consistency of operations and allow all program participants to effectively plan for property transfers. The service charge will be assessed as a percentage of the original Government Acquisition Cost (GAC) as follows:

Government Acquisition Cost (GAC)	New/Usable/Repairable	Salvage/Scrap
\$ 0 to \$ 19,999	13%	8%
\$ 20,000 to \$ 99,999	15%	7%
\$ 100,000 to \$ 499,999	4% - 10%	2% - 5%
\$ 500,000 to \$ 1,999,999	4%	2%
Service Fee Caps	\$20,000	\$10,000

Note: The maximum service charge for all direct transfers will be 15% of the GAC. A service charge cap is set at \$20,000 for new/usable/repairable items and \$10,000 for salvage/scrap items. The minimum total service charge per invoice will be \$100 per Michigan’s approved State Plan of Operation.