



U.S. General Services Administration

# Federal Acquisition Service

A close-up, slightly blurred image of the American flag, focusing on the white stars on a blue field. The stars are prominent in the foreground, while the red and white stripes are visible in the background.

**Compliance**



U.S. General Services Administration

# Federal Acquisition Service

## Terms and Conditions

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## Responsibility

- It is a SASP responsibility to enforce compliance with the terms and conditions imposed on donated property
  - FMR 102-37.130



## Terms and Conditions of Donation

- Property must be placed in use for the purposes for which donated within 1 year of donation
- A donee will return to the SASP, at its own expense, any donated property not placed in use for the purposes for which it was donated within 1 year of donation, or which ceases to be used for such purposes within 1 year after being placed in use



## Terms and Conditions of Donation

- Comply with terms and conditions imposed by the SASP on the use of any item of property having a unit acquisition cost of \$5K or more and any passenger motor vehicle or other donated item
- A donee has conditional title only to the property during the applicable period of restriction. Full title to the property will vest in the donee only after the donee has met all of the donation requirements



## Terms and Conditions of Donation

- Comply with conditions imposed by GSA, if any, requiring special handling or use limitations on donated property
- Obtain permission from SASP before selling, trading, leasing, loaning, bailing, cannibalizing, encumbering or disposing of property during the period of restriction, or removing it permanently for use outside the State



## Terms and Conditions of Donation

- Report to the SASP on the use, condition, and location of donated property, and on other pertinent matters as the SASP may require from time to time
- If property loss occurs during the period of restriction, GSA/SASP will be entitled to reimbursement out of the insurance proceeds



## Utilization Reviews

- SASPs must conduct utilization reviews IAW their State Plan of Operation to ensure donees are using property during the period of restriction for the purposes for which it was donated
  - FMR 102-37.480
- Purpose – to ensure property is being used IAW terms and conditions of donation
- Notify GSA if utilization review reveals violations of terms and conditions of donation



## SASP Actions in Compliance Issues

- Promptly investigate failure to comply with terms and conditions
- Notify GSA immediately if evidence of fraud, wrongdoing by a screener, nonuse, misuse or unauthorized disposal
- Temporarily defer further donations to donee
- Take steps to correct the noncompliance or otherwise enforce the conditions of donation (see 102-37.485)



## Periods of Restrictions

- Property with an OAC of \$5K or less – 12 months
- Property with an OAC of \$5K or greater and any passenger motor vehicle – 18 months
- Aircraft and Vessels – 60 months
- Combat aircraft - perpetuity



## Release of Restrictions

- **SASPs may:**
  - grant releases from **State** imposed restrictions, provided for in the State Plan
  - grant (with GSA concurrence) a time extension to place property into use (see noted circumstances in FMR 102-37.465)
  - grant (with GSA concurrence) authority to trade in one donated item for one like item having similar potential use



## Release of Restrictions

- **SASPs may NOT:**
  - alter or grant releases to terms and conditions of the Property Act imposed on the use of motor vehicles and any item of property with an OAC of \$5K or more
  - grant release to any special handling or use limitation imposed by GSA without prior written approval from GSA



## Release of Restrictions

- **SASPs may NOT:**
  - grant release of the statutory requirement that usable property be returned by the donee to the SASP if the property has not been placed in use for the purposes for which it was donated within 1 year of donation or ceases to be used by the donee for those purposes within 1 year of being placed in use, except that:
    - – You may grant authority to the donee to cannibalize property when you determine that such action will result in increased use of the property and that the proposed action meets the standards prescribed in your plan of operation.