

Public Law 94-519

Public Law 94-519
94th Congress

An Act

To amend the Federal Property and Administrative Services Act of 1949 to permit the donation of Federal surplus personal property to the States and local organizations for public purposes, and for other purposes.

Oct. 17, 1976
(H.R. 14451)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) is amended as follows:

Federal surplus
property.
Donation to
States and local
organizations.

(1) Subsection (j) is amended to read as follows:

“(j) (1) Under such regulations as he may prescribe, the Administrator is authorized in his discretion to transfer, without cost (except for costs of care and handling), any personal property under the control of any executive agency which has been determined to be surplus property to the State agency in each State designated under State law as the agency responsible for the fair and equitable distribution, through donation, of all property transferred in accordance with the provisions of paragraphs (2) and (3) of this subsection. In determining whether the property is to be transferred for donation under this subsection, no distinction shall be made between property capitalized in a working-capital fund established under section 2208 of title 10, United States Code, or any similar fund, and any other property.

“(2) In the case of surplus personal property under the control of the Department of Defense, the Secretary of Defense shall determine whether such property is usable and necessary for educational activities which are of special interest to the armed services, such as maritime academies, or military, naval, Air Force, or Coast Guard preparatory schools. If the Secretary determines that such property is usable and necessary for said purposes, the Secretary shall allocate it for transfer by the Administrator to the appropriate State agency for distribution, through donation, to such educational activities. If the Secretary determines that such property is not usable and necessary for such purposes, it may be disposed of in accordance with paragraph (3) of this subsection.

“(3) Except for surplus personal property transferred pursuant to paragraph (2) of this subsection, the Administrator shall, pursuant to criteria which are based on need and utilization and established after such consultation with State agencies as is feasible, allocate such property among the States in a fair and equitable basis (taking into account the condition of the property as well as the original acquisition cost thereof), and transfer to the State agency property selected by it for distribution through donation within the State—

“(A) to any public agency for use in carrying out or promoting for the residents of a given political area one or more public purposes, such as conservation, economic development, education, parks and recreation, public health, and public safety; or

“(B) to nonprofit educational or public health institutions or organizations, such as medical institutions, hospitals, clinics, health centers, schools, colleges, universities, schools for the mentally retarded, schools for the physically handicapped, child

26 USC 501.

care centers, radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations, museums attended by the public, and libraries serving free all residents of a community, district, State, or region, which are exempt from taxation under section 501 of the Internal Revenue Code of 1954, for purposes of education or public health (including research for any such purpose).

The Administrator, in allocating and transferring property under this paragraph, shall give fair consideration, consistently with the established criteria, to expressions of need and interest on the part of public agencies and other eligible institutions within that State, and shall give special consideration to requests by eligible recipients, transmitted through the State agency, for specific items of property.

"(4) (A) Before property may be transferred to any State agency, such State shall develop, according to State law, a detailed plan of operation, developed in conformity with the provisions of this subsection, which shall include adequate assurance that the State agency has the necessary organizational and operational authority and capability, including staff, facilities, means and methods of financing, and procedures with respect to: accountability, internal and external audits, cooperative agreements, compliance and utilization reviews, equitable distribution and property disposal, determination of eligibility, and assistance through consultation with advisory bodies and public and private groups. The chief executive officer shall certify and submit the plan to the Administrator. In the event that a State legislature has not developed, according to State law, a State plan within two hundred and seventy calendar days after the date of enactment of this Act, the chief executive officer of the State shall approve, and submit to the Administrator, a temporary State plan. No such plan, and no major amendment thereof, shall be filed with the Administrator until sixty days after general notice of the proposed plan or amendment has been published and interested persons have been given at least thirty days during which to submit comments. In developing and implementing the State plan, the relative needs and resources of all public agencies and other eligible institutions within the State shall be taken into consideration. The Administrator may consult with interested Federal agencies for purposes of obtaining their views concerning the administration and operation of this subsection.

"(B) The State plan shall provide for the fair and equitable distribution of property within such State based on the relative needs and resources of interested public agencies and other eligible institutions within the State and their abilities to utilize the property.

"(C) (i) The State plan of operation shall require the State agency to utilize a management control system and accounting system for donable property transferred under this section of the same types as are required by State law for State-owned property, except that the State agency, with the approval of the chief executive officer of the State, may elect, in lieu of such systems, to utilize such other management control and accounting systems as are effective to govern the utilization, inventory control, accountability, and disposal of property under this subsection.

"(ii) The State plan of operation shall require the State agency to provide for the return of donable property for further distribution if such property, while still usable, has not been placed in use for the purpose for which it was donated within one year of donation or ceases to be used by the donee for such purposes within one year of being placed in use.

"(iii) The State plan shall require the State agency, insofar as practicable, to select property requested by a public agency or other eligible institution within the State and, if so requested by the recipient, to arrange shipment of that property, when acquired, directly to the recipient.

* "(D) Where the State agency is authorized to assess and collect service charges from participating recipients to cover direct and reasonable indirect costs of its activities, the method of establishing such charges shall be set out in the State plan of operation. Such charges shall be fair and equitable and shall be based on services performed by the State agency, including, but not limited to, screening, packing, crating, removal, and transportation.

"(E) The State plan of operation shall provide that the State agency may impose reasonable terms, conditions, reservations, and restrictions on the use of property to be donated under paragraph (3) of this subsection and shall impose such terms, conditions, reservations, and restrictions in the case of any passenger motor vehicle and any item of other property having a unit acquisition cost of \$3,000 or more. If the Administrator finds that an item or items have characteristics that require special handling or use limitations, he may impose appropriate conditions on the donation of such property.

"(F) The State plan of operation shall provide that surplus property which the State agency determines cannot be utilized by eligible recipients shall be disposed of—

"(i) subject to the disapproval of the Administrator within thirty days after notice to him, through transfer by the State agency to another State agency or through abandonment or destruction where the property has no commercial value or the estimated cost of its continued care and handling would exceed the estimated proceeds from its sale; or

"(ii) otherwise pursuant to the provisions of this Act under such terms and conditions and in such manner as may be prescribed by the Administrator.

Notwithstanding sections 204 and 402(c) of this Act, the Administrator, from the proceeds of sale of any such property, may reimburse the State agency for such expenses relating to the care and handling of such property as he shall deem appropriate.

40 USC 485,
512

"(5) As used in this subsection, (A) the term 'public agency' means any State, political subdivision thereof (including any unit of local government or economic development district), or any department, agency, instrumentality thereof (including instrumentalities created by compact or other agreement between States or political subdivisions), or any Indian tribe, band, group, pueblo, or community located on a State reservation and (B) the term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Virgin Islands, Guam, and American Samoa."

"Public agency."

"State."

(2) Subsection (k) is amended—

(A) in the first sentence of paragraph (4), immediately following the word "subsection", by adding "except with respect to personal property transferred pursuant to subsection (j)";

(B) in subparagraph (4)(C), by inserting "or" immediately after the semicolon;

(C) in subparagraph (4)(D), immediately following the words "armed forces", by striking out "; or" and inserting in lieu thereof a period; and

(D) by striking out subparagraph (4)(E).

(3) Subsection (n) is amended to read as follows:

" Cooperative Agreement "

"(n) For the purpose of carrying into effect the provisions of subsection (j), the Administrator or the head of any Federal agency designated by the Administrator, and, with respect to subsection (k) (1), the Secretary of Health, Education, and Welfare or the head of any Federal agency designated by the Secretary, are authorized to enter into cooperative agreements with State surplus property distribution agencies designated in conformity with subsection (j). Such cooperative agreements may provide for utilization by such Federal agency, with or without payment or reimbursement, of the property, facilities, personnel, and services of the State agency in carrying out any such program, and for making available to such State agency, with or without payment or reimbursement, property, facilities, personnel, or services of such Federal agency in connection with such utilization. Payment or reimbursement, if any, from the State agency shall be credited to the fund or appropriation against which charges would be made if no payment or reimbursement were received. In addition, under such cooperative agreements and subject to such other conditions as may be imposed by the Administrator, or with respect to subsection (k) (1) by the Secretary of Health, Education, and Welfare, any surplus property transferred to the State agency for distribution pursuant to subsection (j) (3) may be retained by the State agency for use in performing its functions. Unless otherwise directed by the Administrator, title to property so retained shall vest in the State agency."

Report to Congress.

(4) Subsection (o) is amended to read as follows:

"(o) The Administrator with respect to personal property donated under subsection (j), and the head of each executive agency disposing of real property under subsection (k), shall submit during the calendar quarter following the close of each fiscal year a report to the Senate (or to the Secretary of the Senate if the Senate is not in session) and to the House of Representatives (or to the Clerk of the House if the House is not in session) showing the acquisition cost of all personal property so donated and of all real property so disposed of during the preceding fiscal year. Such reports shall also show donations and transfers of property according to State, and may include such other information and recommendations as the Administrator or other executive agency head concerned deems appropriate."

40 USC 484 note.

Sec. 2. Except to the extent that the Administrator of General Services, in the case of specific items or categories of property, has determined otherwise, no term, condition, reservation, or restriction imposed pursuant to subsection (j) (5) of section 203 of the Federal Property and Administrative Services Act of 1949 (as in effect prior to the date of enactment of this Act), on the use of any item of personal property donated pursuant to subsection (j) (3) or (j) (4) of section 203 prior to the effective date of this Act as provided in section 9(a), shall remain in effect beyond the thirtieth day after such effective date. This section shall not be deemed to terminate any civil or criminal liability arising out of a violation of such a term, condition, reservation, or restriction which occurred prior to such effective date if a judicial proceeding to enforce such liability is pending on such effective date, or is commenced within one year after such date.

40 USC 484.

Sec. 2. Section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) is amended by adding the following new subsections:

"(d) Notwithstanding any other provisions of law, Federal agencies are prohibited from obtaining excess personal property for purposes of furnishing such property to grantees of such agencies, except as follows:

"(1) Under such regulations as the Administrator may prescribe, any Federal agency may obtain excess personal property for purposes of furnishing it to any institution or organization which is a public agency or is nonprofit and exempt from taxation under section 501 of the Internal Revenue Code of 1954, and which is conducting a federally sponsored project pursuant to a grant made for a specific purpose with a specific termination made: *Provided, That—*

Regulations.

"(A) such property is to be furnished for use in connection with the grant; and

26 USC 501.

"(B) the sponsoring Federal agency pays an amount equal to 25 per centum of the original acquisition cost (except for costs of care and handling) of the excess property furnished, such funds to be covered into the Treasury as miscellaneous receipts.

Title to excess property obtained under this paragraph shall vest in the grantees and shall be accounted for and disposed of in accordance with procedures governing the accountability of personal property acquired under grant agreements.

"(2) Under such regulations and restrictions as the Administrator may prescribe, the provisions of this subsection shall not apply to the following:

Regulations.

"(A) property furnished under section 608 of the Foreign Assistance Act of 1961, as amended, where and to the extent that the Administrator of General Services determines that the property to be furnished under such Act is not needed for donation pursuant to section 203(j) of this Act;

22 USC 2358.

"(B) scientific equipment furnished under section 11(e) of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1870(e));

Ans. p. 2451.

"(C) property furnished under section 203 of the Department of Agriculture Organic Act of 1944 (16 U.S.C. 580a), in connection with the Cooperative Forest Fire Control Program, where title is retained in the United States; or

"(D) property furnished in connection with grants to Indian tribes as defined in section 3(c) of the Indian Financing Act (25 U.S.C. 1452(c)).

This paragraph shall not preclude any Federal agency obtaining property and furnishing it to a grantee of that agency under paragraph (1) of this subsection.

"(a) Each executive agency shall submit during the calendar quarter following the close of each fiscal year a report to the Administrator showing, with respect to personal property—

Report to Administrator.

"(1) obtained as excess property or as personal property determined to be no longer required for the purposes of the appropriation from which it was purchased, and

"(2) furnished in any manner whatsoever within the United States to any recipient other than a Federal agency,

the acquisition cost, categories of equipment, recipient of all such property, and such other information as the Administrator may require. The Administrator shall submit a report to the Senate (or to the Secretary of the Senate if the Senate is not in session) and to the House of Representatives (or to the Clerk of the House if the House is not in session) summarizing and analyzing the reports of the executive agencies."

Report to Congress.

Sec. 4. Section 402(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 512(c)) is amended by striking out

"whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so" and inserting in lieu thereof "whenever the head of the executive agency concerned, or the Administrator after consultation with such agency head, determines that return of the property to the United States for such handling is in the interest of the United States".

40 USC 483c

Sec. 5. Notwithstanding any other provision of law, and except as the Administrator of General Services may otherwise provide on recommendation of the head of an affected Federal agency, excess personal property acquired by a Federal agency pursuant to the authority of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) and furnished to and held by a grantee of such agency prior to the effective date of this Act (as provided in section 9(b)) under grants made pursuant to programs established by law shall be regarded as surplus property. The Administrator of General Services upon receipt of a certification by the head of an agency that the property is being used by the grantee for the purposes for which it was furnished shall transfer title to the property to the grantee. The grantor agency shall survey Federal property acquired from excess sources in the possession of its grantees and shall notify the Administrator of General Services, not later than two hundred and forty days from the date of enactment of this Act, of those items of property which are being used by each grantee for the purpose for which it was furnished and those items which are not being used by each grantee. If the property is not being so used, the Administrator shall transfer such property to an appropriate State agency, upon its request, for distribution in accordance with subsection 203(j) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(j)). Property not so transferred shall be otherwise disposed of pursuant to the provisions of that Act."

Repeal.
42 USC 3193.
Transfer of
personnel,
records, etc.
40 USC 484c.

Sec. 6. Section 514 of the Public Works and Economic Development Act of 1965 (88 Stat. 1162) is repealed.

Sec. 7. (a) So much of the personnel, property, records, and unexpended balance of appropriations, allocations, and other funds as are, in the judgment of the Director of the Office of Management and Budget, employed, used, held, available, or to be made available in relation to those personal property functions which the Secretary of Health, Education, and Welfare was authorized to perform under section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) immediately prior to the date of enactment of this Act and which under this Act become vested in the Administrator of General Services shall be transferred to the General Services Administration at such time or times as the Director shall direct.

(b) Such further measures and dispositions as the Director of the Office of Management and Budget deems necessary to effectuate transfers referred to in subsection (a) of this section shall be carried out in such manner as the Director shall direct.

Sec. 8. Title VI of the Federal Property and Administrative Services Act of 1949 is amended by adding after section 605 the following new section:

"SEX DISCRIMINATION

40 USC 476.

"Sec. 606. No individual shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity carried on or receiving Federal assistance under this Act. This provision shall be enforced through agency provisions and rules similar to those already estab-

Donation
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SA (CO) X
prepare report to Congress every two yrs

lished with respect to racial and other discrimination under title VI of the Civil Rights Act of 1964. However, this remedy is not exclusive and will not prejudice or remove any other legal remedies available to any individual alleging discrimination."

42 USC 2000d.

Sec. 9. The provisions of this Act shall become effective one year after the date of enactment of this Act. *Oct 17, 1976-1977*

Effective date.
40 USC 484 note.

Sec. 10. Not later than thirty months after the effective date of this Act, and biennially thereafter, the Administrator and the Comptroller General of the United States shall each transmit to the Congress reports which cover the two-year period from such effective date and contain (1) a full and independent evaluation of the operation of this Act, (2) the extent to which the objectives of this Act have been fulfilled, (3) how the needs served by prior Federal personal property distribution programs have been met, (4) an assessment of the degree to which the distribution of surplus property has met the relative needs of the various public agencies and other eligible institutions, and (5) such recommendations as the Administrator and the Comptroller General, respectively, determine to be necessary or desirable.

Reports to Congress.
40 USC 493.

Approved October 17, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 94-1429 (Comm. on Government Operations).
SENATE REPORT No. 94-1323 (Comm. on Government Operations).
CONGRESSIONAL RECORD, Vol. 122 (1976):

Aug. 24, considered and passed House.
Sept. 28, considered and passed Senate, amended.
Sept. 29, House agreed to Senate amendments.

Note.—A change has been made in the slip law format to provide for one-time preparation of copy to be used for publication of both slip laws and the United States Statutes at Large volumes. Comments from users are invited by the Office of the Federal Register, National Archives and Records Service, Washington, D.C. 20408.

FEDERAL MANAGEMENT REGULATIONS (FMR)

STATE PLAN OF OPERATION

§102-37.140—What is a State plan of operation?

A State plan of operation is a document developed under State law and approved by GSA in which the State sets forth a plan for the management and administration of the SASP in the donation of property.

§102-37.145—Who is responsible for developing, certifying, and submitting the plan?

The State legislature must develop the plan. The chief executive officer of the State must submit the plan to the Administrator of General Services for acceptance and certify that the SASP is authorized to:

- (a) Acquire and distribute property to eligible donees in the State;
- (b) Enter into cooperative agreements; and
- (c) Undertake other actions and provide other assurances as are required by 40 U.S.C. 549(e) and set forth in the plan.

§102-37.150—What must a State legislature include in the plan?

The State legislature must ensure the plan conforms to the provisions of 40 U.S.C. 549(e) and includes the information and assurances set forth in Appendix B of this part. It may also include in the plan other provisions not inconsistent with the purposes of title 40 of the United States Code and the requirements of this part.

§102-37.155—When does a plan take effect?

The plan takes effect on the date GSA notifies the chief executive officer of the State that the plan is approved.

§102-37.160—Must GSA approve amendments or modifications to the plan?

Yes, GSA must approve amendments or modifications to the plan.

§102-37.165—Do plans or major amendments require public notice?

Yes, proposed plans and major amendments to existing plans require general notice to the public for comment. A State must publish a general notice of the plan or amendment at least 60 calendar days in advance of filing the proposal with GSA and provide interested parties at least 30 calendar days to submit comments before filing the proposal.

§102-37.170—What happens if a SASP does not operate in accordance with its plan?

If a SASP does not operate in accordance with its plan, GSA may withhold allocation and transfer of surplus property until the nonconformance is corrected.

Appendix B—Elements of a State Plan of Operation

The following is the information and assurances that must be included in a SASP's plan of operation:

Regarding...	The plan must...
(a) Designation of a SASP.	<ol style="list-style-type: none">(1) Name the State agency that will be responsible for administering the plan.(2) Describe the responsibilities vested in the agency which must include the authorities to acquire, warehouse and distribute surplus property to eligible donees, carry out other requirements of the State plan, and provide details concerning the organization of the agency, including supervision, staffing, structure, and physical facilities.(3) Indicate the organizational status of the agency within the State governmental structure and the title of the State official who directly supervises the State agent.
(b) Operational authority.	Include copies of existing State statutes and/or executive orders relative to the operational authority of the SASP. Where express statutory authority does not exist or is ambiguous, or where authority exists by virtue of executive order, the plan must include also the opinion of the State's Attorney General regarding the existence of such authority.
(c) Inventory control and accounting systems.	<ol style="list-style-type: none">(1) Require the SASP to use a management control and accounting system that effectively governs the utilization, inventory control, accountability, and disposal of property.(2) Provide a detailed explanation of the inventory control and accounting system that the SASP will use.(3) Provide that property retained by the SASP to perform its functions be maintained on separate records from those of donable property.
(d) Return of donated property.	<ol style="list-style-type: none">(1) Require the SASP to provide for the return of donated property from the donee, at the donee's expense, if the property is still usable as determined by the SASP; and<ol style="list-style-type: none">(i) The donee has not placed the property into use for the purpose for which it was donated within 1 year of donation; or(ii) The donee ceases to use the property within 1 year after placing it in use.(2) Specify that return of property can be accomplished by:<ol style="list-style-type: none">(i) Physical return to the SASP facility, if required by the SASP.(ii) Retransfer directly to another donee, SASP, or Federal agency, as required by the SASP.(iii) Disposal (by sale or other means) as directed by the SASP.(3) Set forth procedures to accomplish property returns to the SASP, retransfers to other organizations, or disposition by sale,

abandonment, or destruction.

(e) Financing and service charges.

- (1) Set forth the means and methods for financing the SASP. When the State authorizes the SASP to assess and collect service charges from participating donees to cover direct and reasonable indirect costs of its activities, the method of establishing the charges must be set forth in the plan.
- (2) Affirm that service charges, if assessed, are fair and equitable and based on services performed (or paid for) by the SASP, such as screening, packing, crating, removal, and transportation. When the SASP provides minimal services in connection with the acquisition of property, except for document processing and other administrative actions, the State plan must provide for minimal charges to be assessed in such cases and include the bases of computation.
- (3) Provide that property made available to nonprofit providers of assistance to homeless individuals be distributed at a nominal cost for care and handling of the property.
- (4) Set forth how funds accumulated from service charges, or from other sources such as sales or compliance proceeds are to be used for the operation of the SASP and the benefit of participating donees.
- (5) Affirm, if service charge funds are to be deposited or invested, that such deposits or investments are permitted by State law and set forth the types of depositories and/or investments contemplated.
- (6) Cite State authority to use service charges to acquire or improve SASP facilities and set forth disposition to be made of any financial assets realized upon the sale or other disposal of the facilities.
- (7) Indicate if the SASP intends to maintain a working capital reserve. If one is to be maintained, the plan should provide the provisions and limitations for it.
- (8) State if refunds of service charges are to be made to donees when there is an excess in the SASP's working capital reserve and provide details of how such refunds are to be made, such as a reduction in service charges or a cash refund, prorated in an equitable manner.

(f) Terms and conditions on donated property.

- (1) Require the SASP to identify terms and conditions that will be imposed on the donee for any item of donated property with a unit acquisition cost of \$5,000 or more and any passenger motor vehicle.
- (2) Provide that the SASP may impose reasonable terms and conditions on the use of other donated property. If the SASP elects to impose additional terms and conditions, it should list them in the plan. If the SASP wishes to provide for amending, modifying, or releasing any terms or conditions it has elected to

impose, it must state in the plan the standards it will use to grant such amendments, modifications or releases.

- (3) Provide that the SASP will impose on the donation of property, regardless of unit acquisition cost, such conditions involving special handling or use limitations as GSA may determine necessary because of the characteristics of the property.

(g) Nonutilized or undistributed property.

Provide that, subject to GSA approval, property in the possession of the SASP which donees in the State cannot use will be disposed of by:

- (1) Transfer to another SASP or Federal agency.
- (2) Sale.
- (3) Abandonment or destruction.
- (4) Other arrangements.

(h) Fair and equitable distribution.

- (1) Provide that the SASP will make fair and equitable distribution of property to eligible donees in the State based on their relative needs and resources and ability to use the property.
- (2) Set forth the policies and detailed procedures for effecting a prompt, fair, and equitable distribution.
- (3) Require that the SASP, insofar as practicable, select property requested by eligible donees and, if requested by the donee, arrange for shipment of the property directly to the donee.

(i) Eligibility.

- (1) Set forth procedures for the SASP to determine the eligibility of applicants for the donation of surplus personal property.
- (2) Provide for donee eligibility records to include at a minimum:**
 - (i) Legal name and address of the donee.**
 - (ii) Status of the donee as a public agency or as an eligible nonprofit activity.**
 - (iii) Details on the scope of the donee's program.**
 - (iv) Proof of tax exemption under section 501 of the Internal Revenue Code if the donee is nonprofit.**
 - (v) Proof that the donee is approved, accredited, licensed, or meets any other legal requirement for operation of its program(s).**
 - (vi) Financial information.**
 - (vii) Written authorization by the donee's governing body or chief administrative officer designating at least one person to act for the donee in acquiring property.**
 - (viii) Assurance that the donee will comply with GSA's regulations on nondiscrimination.**
 - (ix) Types of property needed.**

(j) Compliance and utilization.

- (1) Provide that the SASP conduct utilization reviews for donee compliance with the terms, conditions, reservations, and restrictions imposed by GSA and the SASP on property having a unit acquisition cost of \$5,000 or more and any passenger motor vehicle.

- (2) Provide for the reviews to include a survey of donee compliance with any special handling conditions or use limitations imposed on items of property by GSA.
 - (3) Set forth the proposed frequency of such reviews and provide adequate assurances that the SASP will take effective action to correct noncompliance or otherwise enforce such terms, conditions, reservations, and restrictions.
 - (4) Require the SASP to prepare reports on utilization reviews and compliance actions and provide assurance that the SASP will initiate appropriate investigations of alleged fraud in the acquisition of donated property or misuse of such property.
- (k) Consultation with advisory bodies and public and private groups.
 - (1) Provide for consultation with advisory bodies and public and private groups which can assist the SASP in determining the relative needs and resources of donees, the proposed utilization of surplus property by eligible donees, and how distribution of surplus property can be effected to fill existing needs of donees.
 - (2) Provide details of how the SASP will accomplish such consultation.
- (l) Audit.
 - (1) Provide for periodic internal audits of the operations and financial affairs of the SASP.
 - (2) Provide for compliance with the external audit requirements of Office of Management and Budget Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations" (available at <http://www.whitehouse.gov/OMB>), and make provisions for the SASP to furnish GSA with:
 - (i) Two copies of any audit report made pursuant to the Circular, or with two copies of those sections that pertain to the Federal donation program.
 - (ii) An outline of all corrective actions and scheduled completion dates for the actions.
 - (3) Provide for cooperation in GSA or Comptroller General conducted audits.
- (m) Cooperative agreements.

If the SASP wishes to enter into, renew, or revise cooperative agreements with GSA or other Federal agencies:

 - (1) Affirm the SASP's intentions to enter into cooperative agreements.
 - (2) Cite the authority for entering into such agreements.
- (n) Liquidation.

Provide for the SASP to submit a liquidation plan prior to termination of the SASP activities if the State decides to dissolve the SASP:
- (o) Forms.

Include copies of distribution documents used by the SASP.
- (p) Records.

Affirm that all official records of the SASP will be retained for a minimum of 3 years, except that:

 - (1) Records involving property subject to restrictions for more than 2 years must be kept 1 year beyond the specified period

of restriction.

- (2) Records involving property with perpetual restriction must be retained in perpetuity.
- (3) Records involving property in noncompliance status must be retained for at least 1 year after the noncompliance case is closed.

Central Office Memorandum dated 2-14-95

On

State Plan Amendments

P.001
Joe H
FFI
[Signature]
2-15-95



General Services Administration
Federal Supply Service
Washington, DC 20406

FEB 14 1995

MEMORANDUM FOR DIRECTORS, FEDERAL SUPPLY SERVICE BUREAUS
2FB, 3FB, 3FB-W, 4FB, 5FB, 6FB, 7FB,
9FB, 10FB

FROM: DEIDRE HUBER *[Signature]*
DIRECTOR
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT: Processing of Amendments to
State Plans of Operations

Effective immediately amendments to state plans of operations will be mailed directly from the State Agency for Surplus Property to the General Services Administration, Property Management Division. The mailing address is:

General Services Administration
Federal Supply Service
Property Management Division (FBP)
Washington D.C. 20406

Copies of approved amendments will be furnished to the appropriate regional office at the same time it is forwarded to the State Agency for Surplus Property.

cc: 2FBP-1
7FBP-8
Directors State Agencies for Surplus Property

**Review Checklist/Corresponding Central Office
Memorandum**

FUTURE STATE AGENCY REVIEWS:

The following is a summary for each review element (A-K) that denotes whether or not the agency was in **general conformance** with the applicable requirements of the FMR, the Donation Handbook, and its state plan of operation.

A review element should be considered to be **in general conformance and underlined “Yes”** if there are **no requirements** or **only a few minor requirements** listed under that element. If the element only yields a few minor requirements, the reviewer **may underline “Yes”** and add “two asterisks” as noted at the bottom of this page. An element should be considered to be **in nonconformance and underlined “No”** if there exists **at least one significant requirement** or **there exist a significant number of minor requirements**.

Review Element:		In Conformance:	
A.	OPERATIONAL CAPABILITIES	Yes	No
B.	PROPERTY ACCOUNTABILITY & CONTROL *	Yes	No
C.	FISCAL MANAGEMENT *	Yes	No
D.	COMPLIANCE *	Yes	No
E.	CUSTOMER RELATIONSHIPS	Yes	No
F.	ELIGIBILITY *	Yes	No
G.	SCREENING	Yes	No
H.	AUDITS	Yes	No
I.	COOPERATIVE AGREEMENTS	Yes	No
J.	RECORDS MANAGEMENT	Yes	No
K.	NONDISCRIMINATION ASSURANCE	Yes	No
L.	CONCLUSION	2 yr	4 yr
M.	SCHEDULE OF ATTACHMENTS	-	-

* Depending on the nature and/or severity of requirements that appear under any of these four review elements (B, C, D, F), GSA may conduct the next review within a two or four year time frame. This decision will be made by the review team leader and regional management when the report is finalized as noted in the “Conclusion” (L).

** This element contains only a few minor requirements; however, the state agency is considered to be in general conformance. Consequently, the reviewer has placed two asterisks (**) to the right of the underlined answer “Yes”.

REVIEW CHECKLIST

- I. Outstanding requirements from prior reviews, audits, or compliance cases are to be discussed with the State agency director.

The 1992 biennial review report cited 5 areas where the State agency was required to take corrective action. The 1993 follow-up review found all of those areas to be corrected. The only outstanding requirement for the Pennsylvania State Agency from the 1993 IG Audit No. A20914/F/3/V93009 involves the repayment of proceeds (to the U.S. Treasury) derived from the sale of low dollar value property . A total of 5 compliance cases remain open, all being coordinated at different levels.

II. State plan requirements

- A. Does the state agency operate in conformance with the requirements as set forth in the State plan of operation in the areas cited below? (Any "No" answer should be fully explained in the final report. "Yes" answers in many cases may require additional comment).

	<u>Yes</u>	/	<u>No</u>
1. Organization and operational capabilities	<u>x</u>	/	<u> </u>
2. Property and inventory control	<u> </u>	/	<u>x</u>
3. Fiscal accounting system	<u> </u>	/	<u>x</u>
4. Financing and service charges	<u> </u>	/	<u>x</u>
5. Nonutilized donable property	<u>x</u>	/	<u> </u>
6. Fair and equitable distribution	<u>x</u>	/	<u> </u>
7. Eligibility	<u>x</u>	/	<u> </u>
8. Compliance and utilization reviews	<u> </u>	/	<u>x</u>
(a) Return of donated property	<u>x</u>	/	<u> </u>
(b) Terms and Conditions	<u>x</u>	/	<u> </u>
9. Consultation with advisory bodies	<u>x</u>	/	<u> </u>
10. Audits	<u>x</u>	/	<u> </u>
11. Cooperative agreements	<u>x</u>	/	<u> </u>
12. Records management	<u>x</u>	/	<u> </u>
13. Nondiscrimination compliance	<u>x</u>	/	<u> </u>

- B. Does the State agency conform to good management practices in the following areas?

	<u>Yes</u>	/	<u>No</u>
1. Receiving and warehousing	<u>x</u>	/	<u> </u>
2. Distribution	<u>x</u>	/	<u> </u>
3. Donee relationships	<u>x</u>	/	<u> </u>
4. Holding agency relationships	<u>x</u>	/	<u> </u>
5. Screening procedures	<u>x</u>	/	<u> </u>
6. Program Promotion	<u>x</u>	/	<u> </u>
7. Fiscal Management	<u>x</u>	/	<u> </u>

Bi

21 JUN 1998

MEMORANDUM FOR CHIEFS, PERSONAL PROPERTY MANAGEMENT BRANCH
2FBP, 2FBP-1, 3FBP, 3FBP-W, 4FBP, 5FBP, 6FBP,
7FBP, 7FBP-8, 9FB, 10FB

FROM: DEIDRE HUBER *D Deidre Huber*
DIRECTOR
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT: Biennial Review Report Checklist.

A final review of comments concerning the review checklist identified in figure 2-13, (part 2 of 3 on page 90) of the Donation Handbook has been made. Effective immediately the checklist will only be maintained at the regional property management offices with a copy being furnished to FBP with the review report. Copies of the checklist will not be distributed to any recipients of the report in the applicable State.

Thank you for your comments and suggestions.

cc: Mr. Chris Butterworth
President National Association of
State Agencies for Surplus Property

FBPR:RGOULET:308-0374:6/19/96:G\checlst.doc

FILE: 9C1a(4) all regions

CC: FB FBP(2) FBPR RGOULET CF

~~CONFERENCE:~~

FBPR: _____ DATE: *6/22/96* _____

Central Office Instructional Letter dated 4-1-94

on

State Reviews

April 1, 1994

6. Coverage. This letter applies to all FSS regional office personnel involved in conducting State agency biennial reviews and preparing review reports.

7. Reference to directive. Donation of Surplus Personal Property, ch. 2-13 (FSS P 4025.5).

8. Procedures. Regions must conduct reviews of State agencies at least once every 2 fiscal years. Each review should cover previously issued review reports to determine if corrective actions have been taken to remedy exceptions or violations cited in the reports. The reviews should cover all items on the attached checklist, but are not limited to those items. The final report should be in letter form and should include a brief description of the reviewer's findings, any outstanding achievements of the agency, the reviewer's requirements or recommendations, and an invitation for the State agency's comments within a reasonable and realistic time. "Requirements" are actions needed to bring the State agency into compliance with the Federal Property Management Regulations (FPMR) or the State plan of operation. Suggested improvements to State agency operations that do not represent violations of the FPMR or the State plan should be termed as "recommendations." The timeframe for submitting the report has been extended from 30 days to 45 days. Additional guidance is attached (changes are in *italic*).

9. Filing instructions. A copy of this letter should be filed in FSS P 4025.5, ch. 2.

Attachment

cc: Regional Administrators
Federal Supply Service Bureau Directors
Regional Personal Property Services Branch Chiefs

REVISION TO FSS P 4025.5
CHAPTER 2, PARAGRAPH 13

13. State agency reviews.

a. Frequency of reviews. Regional offices, at a minimum, shall conduct reviews of State agencies within their areas once every 2 fiscal years.

b. Scheduling reviews. The regional office, in concert with the State agencies, shall establish a projected review schedule for the agencies in the region's area. This review schedule shall be developed for each fiscal year, and a copy provided to the Central Office by September 1st of the year preceding the fiscal year for which the schedule is prepared.

c. Purpose of reviews. The purpose of the review is to evaluate the operation and effectiveness of the State agency's program for the donation of surplus personal property. The review will also assess the State agency's conformance with the approved State plan of operation and the requirements of FPMR 101-44, 101-6.2, and 101-8.

d. Conduct of the review.

(1) Notification to the State agency. Approximately 2 weeks before a review, the regional personal property staff shall advise the manager of the State agency that the scheduled review will take place.

(2) Preparation for the review.

(a) Before the visit, the reviewing official shall review the State agency plan of operation and examine prior reviews, audits, and open compliance cases.

(b) Before visiting the State agency, the reviewer should obtain a copy of the agency's financial balance sheets for the last 2 years or since the time of the previous review. If financial statements are not available, explain fully in the review report.

(3) Entrance meeting. The reviewer shall meet with the State agency staff to explain the purpose of the visit.

(4) Arrangement for payment receipts inspection. When the reviewer arrives at the State agency, he or she shall immediately arrange for auditing the payments received from donees during the period of the review. This is done to ensure

that State agencies are accepting service charges only in the form of warrants, checks, or other official instruments drawn or issued by an authorized official of an eligible institution. Personal checks, personal cashier checks, or personal money orders are not acceptable for payment of service charges. Where eligible donees have their operational expenses paid by a parent institution or organization, checks issued by such parent institutions in payment of service charges will be acceptable.

(5) Checklist for review. The following checklist is recommended for use by regional personnel when conducting a State agency review. Figure 2-13 provides a consolidated format of the following review areas and should be completed and included in the review report as a preface to review comments, requirements (*those actions needed to bring the State agency into compliance with the FPMR or the State plan of operation*), and recommendations (*suggested actions for improving State agency operations*). The reviewer should feel free to extend the scope of the review beyond the items on the checklist and is responsible for reviewing any special or unusual matters pertaining to State agency operations.

(a) State plan of operation. Determine if the State agency operates in conformance with requirements of the FPMR in the areas cited below and in accordance with its approved State plan of operation.

(i) Organization and operational capability. The agency's adherence to the table of organization in its plan of operation should be reviewed. Ascertain if the agency has adequate personnel to effect accountability, warehousing, proper maintenance, and distribution of property. Employee training should also be evaluated to determine if employees have adequate training to perform the duties assigned to them and, if not, what provisions have been made to provide such training. *This applies especially to those involved in making eligibility determinations.*

(ii) Property and inventory control. Accurate records that establish the accountability of all donable property must be maintained. *Such records should be sufficient, in the event of theft, to determine and describe the missing property.* Periodic physical inventories must be completed and records should provide an "audit trail" for individual items of property from receipt to distribution. Review State ledgers and compare property receipts with property distributions. Inventory records are to be examined for frequency, accuracy, and methods of reconciliation. Special attention should be given to records relating to items with an acquisition cost of \$5,000 or more, property subject to special terms and conditions, *items with perpetual restrictions, and items sensitive to theft.* Review procedures for reporting overages and shortages and compare reports with regional records.

(iii) Fiscal accounting system. Ensure that the accounting system complies with the State's plan of operation (normally a double entry accounting system is required) and all supporting activities, billings, disbursements, etc., are conducted in an acceptable manner.

(iv) Financing and service charges. Determine if service charges are being assessed in accordance with the State plan of operation and used only for the promotion and extension of the donation program.

(v) Nonutilized donable property. Review methods used to dispose of undistributed property. Determine if current procedures for identifying unneeded usable property and offering it for transfer to other States or reporting it back to GSA are effective. Determine what steps are being taken to minimize the acquisition of nondonable property.

(vi) Fair and equitable distribution. Evaluate the effectiveness of the State agency's efforts to ensure fair and equitable distribution of property based on the relative needs and resources of its donees. Determine if desirable items of property are fairly distributed among all categories of donees. Examine donee records to see if they indicate a preponderance of distribution to particular donees and regions within the State.

(vii) Eligibility. Eligibility files should be maintained in a systematic manner and contain all necessary documentation (see par. 8). Files are required to be updated periodically and annotated to indicate when they were last reviewed. Close attention should be directed to files maintained for nonprofit and tax-exempt organizations and institutions. It is suggested that a minimum of 50 donee files be examined during the review.

(viii) Compliance and utilization reviews. Review program files and records to determine if utilization surveys are being made to determine if donees are properly using and complying with the terms and conditions on donated property (see A and B, below, for related areas). Check the frequency of these surveys and determine the number of donees visited annually. Using the checklist provided by Central Office, examine and report on the results of aircraft and vessel utilization surveys. Determine if there is a system in effect for monitoring compliance on items other than combat-type aircraft which have perpetual restrictions (e.g., gamma goat trucks). Review methods used to remind donees of the terms and conditions of donation.

(A) Return of donated property. Examine procedures for handling the return of donated usable property that has not been put into use within 1 year of receipt or used for 1 year thereafter.

(B) Terms and conditions. Review actions taken to resolve open noncompliance cases or enforce compliance with the terms and conditions placed on donated property. Ascertain whether any amendments, modifications, or releases from those conditions conform to State plan requirements and the provisions in FPMR 101-44.208(h).

(ix) Consultation with advisory bodies and public and private groups. Review methods used by the State to seek out public input on its program. Determine if a State agency advisory board has been established and, if so, when the last meeting was held.

(x) Audits. Assess the extent of internal and other audit coverage devoted to the State agency. Determine if internal audits are being performed as prescribed. Ascertain when the last external audit was made or the date the next is scheduled. Determine if corrective actions have been undertaken to resolve any deficiencies or requirements outstanding from prior audits and reviews. Items for discussion should be entered under part I of the review checklist. For purposes of OMB Circular A-128, review the subrecipient tracking system to verify that State and local government donees are identified and the dollar value of property donated to each subrecipient is accurately recorded (The Circular requires that States providing \$25,000 or more to subrecipients [donees] determine if those subrecipients have met audit requirements of the Circular).

(xi) Cooperative agreements. Check donable property that has been withdrawn for State agency use for compliance with FPMR 101-44.206(c). A complete listing of such property should be on file with evidence that it has been approved by the GSA regional office. The reviewing official should determine if all property included on the listing is of a type and quantity that is reasonably needed and useful to the State agency. Also, determine if the agency is complying with drug-free workplace requirements and the anti-lobbying certification and disclosure requirements in 41 CFR 105-68 and 69, respectively. In addition, examine how sales proceeds are handled if or when the State agency sells undistributed Federal property under a cooperative agreement.

(xii) Records management. Regional memoranda, the State plan of operation, cooperative agreements, State agency review and audit reports, eligibility records, the control register for screeners cards, and other program files should be current and filed in an orderly manner. Examine program manuals and handbooks to make sure that they are complete, current and accessible to office and supervisory staff. Check State plan files to ascertain if the plan has been updated to conform with changes in GSA's regulations that affect State agency operations (e.g., regulations which changed the acquisition cost criterion for State agencies to impose additional restrictions on donated

property, limited fees that could be imposed on nonprofit providers of assistance to homeless individuals, provided for State agency compliance with the external audit requirements of OMB Circular A-128, etc.) Determine if official records are kept in accordance with files retention criteria in FPMR 101-44.202(c)(16). Also examine the efficiency of records retrieval and evaluate its effectiveness.

(xiii) Nondiscrimination compliance.

Ascertain the following and submit information to the GSA Office of Ethics and Civil Rights for use in determining whether a more extensive civil rights review is warranted, or other followup is necessary: Are civil rights posters displayed prominently and in reasonable numbers and places? Has the State agency received any discrimination complaints? Are State agencies in Regions 2, 3, 4, 5, 6, 7, and the National Capital Region placing emphasis on making historically Black colleges and universities aware of the donation program? Is the State agency's submission of Methods of Administration (MOA) reports current?

(b) Management practices. Determine if the State agency conforms to good management practices in the following areas.

(i) Receiving and warehousing. A physical inspection of the State agency's distribution center facilities should be made. If the State agency operates satellite distribution facilities, at least one of these facilities should also be visited. Particular attention should be directed to the following areas of activity. Comments on any deficiencies noted in these areas should be entered in the review report.

(A) Receiving, storage, and display of property. Determine if property is displayed in such a way as to permit inspection by eligible donees. Ascertain if the warehouse is clean, orderly, and efficiently run. Check if there are adequate provisions for protecting property against the hazards of fire, theft, vandalism and weather. Ensure that suitable provisions have been made for hazardous and unusually valuable materials. Establish if Federal property is segregated from State property.

(B) Safety practices. Ensure that there is concern for employee and donee safety.

(ii) Distribution methods. Examine the following areas of the State agency's distribution system:

(A) Shipping practices, including efforts made to increase the number of direct pickups by donees and cooperative arrangements with other State agencies to pick up property;

(B) Methodology of donee payment of service charges;

(C) Ratio of donations to year-end inventory; e.g., examine whether inventories are too high when compared to annual donations; and

(D) Inventory turnover rate; e.g., check the State's performance in making prompt distribution of property to eligible donees.

(iii) Donee relationships. Survey visits should be made by the reviewer at selected donee institutions to evaluate the effectiveness of the State agency's program promotion, and to ascertain whether donated property is being used in accordance with the terms and conditions of the donation document. The number of such visits will be contingent on available time and apparent need. State agency report forms should be used to document findings during these visits and may be supplemented as required. State agency correspondence should also be reviewed to see how donee complaints are handled.

(iv) Holding agency relationships. Check with local area utilization officers and visit at least two major generating activities to determine the effectiveness of State agency activities. Brief statements of findings relative to screening effectiveness, timeliness of property pickups, and general attitudes should be included in the narrative portion of the review report.

(v) Screening procedures. Make sure that screener's files are complete, including outline of qualifications and locations where authorized to screen. Also, establish if screening schedules are maintained. Include a statement in the review report indicating the number of donee screener's cards issued.

(vi) Program promotion. Evaluate the following areas of the State agency's efforts to promote its program:

(A) Procedure used to seek out all potentially eligible donees within a State to encourage and expand the program as encompassed by Public Law 94-519.

(B) Efforts to increase the number of donee screeners; and

(C) Circulation of catalogs and newsletters to donees and prospective donees on a regular basis.

(vii) Fiscal management. This review requirement pertains to the financial solvency of the State agency. Financial documents should be analyzed to determine if

service charges are adequate to recover operating costs or if the State has to rely on State funds, reserves or other subsidies to offset its losses. Check whether service charges are periodically reviewed for possible change. *Look at the ratio of direct to indirect operating expenses, if that information is available, to determine if indirect costs being passed on to donees are reasonable in relation to services being provided.* Also, determine if the State is incurring unnecessary costs by keeping too much property in inventory.

(6) Special "Under" State considerations. When a State agency is listed as an "Under" State (a State at less than 86 percent of its entitlement) on the most recent over/under allocation report, specific comments directed toward increased agency effectiveness in the following areas should be given:

- (a) Screening activities, including:
 - (i) Extent of screening at "in" State locations;
 - (ii) Extent of screening at "out" State locations;
 - (iii) Attendance at onsite screenings;
 - (iv) Extent of donee screening; and
 - (v) Property transfers from other State agencies.
- (b) Program promotional activities.
- (c) Special problems and conditions.
- (d) Use of property rehabilitation programs.

(7) Exit meeting. When the review has been completed, the reviewer should discuss the findings with the director of the agency. Requirements for bringing the agency into conformance with its plan of operation and the FPMR and recommendations for improvement of the agency's operations should be discussed. *To the extent possible, plans should be made at this time for correction of violations of regulations and the plan of operation.* At this time also, the director should be asked to comment on the amount of contact the agency has with regional personal property staff and area utilization officers, and if any improvements could be made in this area of activity. These comments should be included as a statement in the review report.

e. The review report.

(1) Content. The final report on the review of operations should be in letter form following the outline of the

summary review checklist in fig. 2-13. The report should cover the reviewer's findings and outline both requirements and recommendations for improved State agency performance. Outstanding achievements and procedures should be documented for possible adoption by other State agencies. Any deficiencies that require extensive explanation and correction shall be stated in the body of the report with the indication that more complete information will be forwarded by attachment or under separate cover. If regional or Central Office assistance is required, indicate it on the report. Supporting data, other than that shown in fig. 2-13, may be included with the report as exhibits. The report should be both critical and fair, avoiding the use of general laudatory phrases to describe State agency operations. *It should also include an invitation for the State agency's comments within a reasonable and realistic time.*

(2) Distribution. Prepare five copies (four if allocating region) of the review report and distribute as follows:

- (a) Original to the State agency director concerned;
- (b) Copy to the State agency director's immediate supervisor;
- (c) Copy to Central Office;
- (d) Copy to the allocating regional office; and
- (e) Copy for the regional office (if non-allocating region).

(3) Time of submission. Distribution of the completed review report should be made within 45 calendar days after the completion of the visit to the State agency.

f. Unscheduled reviews. The regional office may conduct an *unscheduled State agency review* if problems exist in a State agency, such as financial instability, under entitlement, decline in regular scheduled screening at holding activities, or continuing complaints by donees that donable property is not being distributed equitably. In such cases, the State agency director should be given prior notice of the intent to conduct a review and the reason why the review is to be made. The Central Office and the regional allocating office should be advised of the dates the review is to be conducted and the reasons for the review. The requirements in e, above, apply for reporting the results of the review.

g. Review requirements followup. Actions necessary to ensure that requirements included in the review report are satisfied are the responsibility of the regional office. All requirements should be reviewed by regional personnel within 35

calendar days after the submission of the report to determine if required actions have been undertaken by the State. (While it is appropriate for the report to cite all instances of nonconformance with the State plan and recommend corrective action, enforcement of those actions by opening a compliance case should be limited to instances of nonconformance with those specific State plan provisions which are required by law or regulation.) Central Office should be kept advised of the progress made in correcting exceptions or violations noted in the report and notified when corrective actions are completed. If it is found that a State agency cannot comply with the review requirements, Central Office should be consulted to determine what alternative actions are required.

h. Informal State agency visits.

(1) Regional office personnel, including utilization and donation specialists and AUO's, should arrange to visit State agencies when in official travel status in the vicinity of the agency.

(2) The purpose of such visits is to discuss general areas of mutual interest or concern and to provide any assistance the State agency may require. During such visits, inquiries should be made as to State agency relationships with holding agencies; condition of property being received from holding activities; i.e., erroneous condition coding, damage in shipment, overages and shortages, receipt of property not requested for donation; requirements for sale of property; compliance problems; delays of shipment of property; distribution of property to donees; and any other areas of discussion the State agency may wish to propose.

(3) When informal visits are undertaken, advance notice to the State agency shall be made by telephone, if possible. Upon arrival, the State agency director should be immediately contacted.

(4) The Central Office should be advised of any major items of interest resulting from such visits.

REPORT OF REVIEW OF OPERATIONS

1. State Agency _____

2. Period covered by this report.
From _____ to _____

3. Submitted to the Chief Executive Officer immediately in charge of the State agency.
Name _____
Title _____

4. Submitted to the immediate supervisor of the Executive Officer named above.
Name _____
Title _____

5. Persons interviewed.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

6. Review commenced _____ Completed _____

7. Date exit meeting was conducted _____

8. Review conducted by _____
Title _____

9. Report approved by _____ Date _____
(Branch Chief or equivalent)

Figure 2-13. Summary review checklist
(Part 1 of 3)

REVIEW CHECKLIST

I. Requirements outstanding from prior reviews, audits, or compliance cases. (To be discussed with the State agency director at the beginning of the review.)

II. Program requirements.

A. Does the State agency generally operate in conformance with the requirements as set forth in the State plan of operation and the FPMR in the areas cited below? (Any "No" answer should be fully explained in the final report. "Yes" answers in many cases may require additional comment.)

	Yes	No
1. Organization and operational capabilities ..	___	___
2. Property and inventory control	___	___
3. Fiscal accounting system	___	___
4. Financing and service charges	___	___
5. Nonutilized donable property	___	___
6. Fair and equitable distribution	___	___
7. Eligibility	___	___
8. Compliance and utilization reviews	___	___
(a) Return of donated property	___	___
(b) Terms and conditions	___	___
9. Consultation with advisory bodies	___	___
10. Audits	___	___
11. Cooperative agreements	___	___
12. Records management	___	___
13. Nondiscrimination compliance	___	___

B. Does the State agency conform to good management practices in the following areas?

	Yes	No
1. Receiving and warehousing	___	___
2. Distribution methods	___	___
3. Donee relationships	___	___
4. Holding agency relationships	___	___
5. Screening procedures	___	___
6. Program promotion	___	___
7. Fiscal management	___	___

Figure 2-13. Summary review checklist
(Part 2 of 3)

EXHIBITS

I. Profit and loss statement for the State agency for the last 2 years:

Category	FY _____	FY _____
Operating Expenses	_____	_____
Income from service charges	_____	_____
Profit (+) or loss (-) on operations	_____	_____
Income from other sources (reserves, State funding, or subsidies)	_____	_____
Total profit (+) or loss (-)	_____	_____

II. Surplus property received and disposed of during the last 2 years:

Inventory	FY _____	FY _____
Inventory at beginning of FY	_____	_____
Property received during FY (+)	_____	_____
Property donated during FY (-)	_____	_____
Property sold during FY (-)	_____	_____
Other disposal during FY (-)	_____	_____
Inventory at end of FY	_____	_____

NOTE.-- Detailed financial statements may be provided in lieu of Part I of this format if the financial statements provide profit/loss information for the State agency.

Figure 2-13. Summary review checklist
(Part 3 of 3)

- Requirement vs. Recommendation



General Services Administration
 Federal Supply Service
 Washington, DC 20406

11-1
 3-17-93
 3FMR JML

FEB 26 1993

MEMORANDUM FOR DIRECTORS, FEDERAL SUPPLY SERVICE BUREAUS
 2FB, 3FB, 3FB-W, 4FB, 5FB, 6FB, 7FB
 8FB, 9FB-10

FROM:

LESTER L. GRAY, JR. *Lester L. Gray, Jr.*
 DIRECTOR
 PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT:

Implementation of the Inspector General Audit
 Action Item Concerning Biennial Reviews

On September 3, 1992, the GSA Inspector General (IG) issued GSA Final Report "Audit of the Effectiveness of FSS in Monitoring Donated Property". A specific concern of the IG was the oversight, quality, consistency of the biennial review reports and follow-up action by the regions. The purpose of this memorandum is to reiterate procedures for handling the reports, recommendations and requirements, and the follow up actions.

To correct these deficiencies and improve the overall biennial review reporting process, the reviews were a topic for panel discussion at the National Property Management Conference. As a follow on to the conference discussion it is reiterated that the review, and content of the report must follow the guidelines of the Donation Handbook (FSS P 4025.5, Chapter 2). Specific attention is required when identifying deficiencies as requirements vs recommendations. A deficiency identified as a "requirement" means that the State Agency (SASP) is NOT in compliance with the FPMR or the State Plan of Operation and must correct the problem to be in compliance. Actions identified as "recommendations" are those things that it is felt will improve the overall operation of the SASP. *

Another area of concern by the IG was follow up action to the deficiencies identified as requirements. Paragraph 13.g. specifically identifies the actions to be taken for "requirements" corrective action by the SASP and the regional office.

A third point in the audit report was the lack of timely conduct and submission of the review reports. As discussed at the conference, reviews are to be conducted once every two fiscal years. The review reports are to be finalized and released within 30 days of the actual review. Extensions in meeting this time frame must be approved by the Utilization and Donation Branch prior to the due date of the report.

MAR 17 1993

Central Office Instructional Letter dated 10-7-97

On

2-year and 4-year Review Frequency



General Services Administration
Federal Supply Service
Washington, DC 20406

OCT 7 1997

INSTRUCTIONAL LETTER FSS-IL-97-1

MEMORANDUM FOR ASSISTANT REGIONAL ADMINISTRATORS
2F, 3F, 4F, 5F, 6F, 7F, 9F, 10F

FROM:

f FRANK P. PUGLIESE, JR. *Anna Bennett*
COMMISSIONER (F)

SUBJECT:

Revised Process for Scheduling State Reviews

1. Purpose: This letter provides updated guidelines for Regional Personal Property Management Offices to determine the frequency for the conduct of State Agency for Surplus Property reviews.

2. Background

a. The current policy requires that the Regional Personal Property Management Offices conduct a review of each State Agency for Surplus Property within their area of responsibility once every 2 fiscal years.

b. Upon reviewing the process for scheduling reviews and discussion with GSA regions, we have determined that State reviews can be conducted at a 2 year or 4 year frequency, dependent upon each State agency's historical performance level. This change enables the regional staffs greater flexibility in the scheduling and prioritization of work to maximize the use of limited resources. A review of a State Agency for Surplus Property will be conducted at least once every 4 fiscal years and more frequently if necessary.

3. Effective date. October 1, 1997.

4. Expiration date. October 1, 1998.

5. Cancellation. None.

6. Coverage. This letter applies to all Regional Property Management Offices.

7. Reference to Directive. HB, Donation of Surplus Personal Property, ch. 2-13a (FSS P 4025.5).



Change in the Scheduling and Frequency of State Reviews, Chapter 2,
paragraph 13a

13. State agency reviews.

a. Frequency of Reviews. State reviews will be conducted either every 4 fiscal years or 2 fiscal years based on the below listed questions. The questions will be reviewed 2 years after the last actual review has been conducted and the State agency has documented appropriate corrective actions. Regardless of this schedule, reviews can be conducted on a more frequent basis if deemed necessary.

If your response is YES to any one of the questions listed below, the State Review will be conducted every 2 fiscal years based on an analysis of the State agency's current performance and prior reviews, audits, open compliance cases, and the State agency's financial balance sheets.

- Does the State agency appear to be having problems with the donee compliance with the donation terms and conditions?
- Does the State agency appear to be having inventory control and accountability problems?
- Does the State agency appear to be having problems with the donee eligibility files?
- Does the State agency appear to be having financial problems or situations that might have a detrimental effect on the donation program?

**Purpose of Review/Preparation Steps/Sample
Letter**

PURPOSE OF BIENNIAL REVIEW

1. Promote partnership between the Federal and State governments. If program is to be a partnership SASP and GSA must cooperate. GSA should not be unrealistic in their approach and SASP must realize that GSA employee is attempting to follow Federal rules and regulations.
2. Biennial review should be a tool for achieving a successful partnership.
3. Anything that impacts the operation of the state agency should be considered within the scope of the review.
4. Biennial review should recognize accomplishments as well as needed improvements.
5. Purpose of biennial review is to evaluate the operation and effectiveness of the SASP's program to donate surplus property during the past two years.
6. Purpose of biennial review is to assess the SASP's conformance with the approved state plan of operation, the requirements of the Federal Property Management Regulations 101-44, and Public Law 94-519.
7. To determine whether the State agency's internal control procedures adequately protect and account for Federal property in its possession.

PRIOR TO REVIEW

1. Request and review financial statements provided.
2. Maintain ongoing file on state including correspondence, SF123s, etc. that you wish to check on during the review.
3. Arrange for director's superior to be on hand for at least the exit interview.
4. Review state plan of operation.
5. Review all compliance cases.
6. Review audits received.
7. Review prior biennial review.
8. Review GSA Form 30040 for past 8 quarters and prepare spreadsheet.
9. Copy SF123s to be used in checking inventory.
10. Prepare list of combat and noncombat aircraft in state that are still under Federal restriction and compare against SASPs records during review.
11. Check list of foreign gifts and compare against SASPs records during review.
12. Prepare letters to be mailed to holding agencies.
13. Obtain in writing the permission of Regional Counsel for SASP representative to accompany GSA personnel in government owned vehicle.
14. Arrange for use of camera and film during review.
15. Arrange to use laptop computer during review if one is available.
16. Arrange for assistance by regional personnel when possible.

Ms. Anne MacKinnon
Assistant Secretary
Maryland State Agency
for Surplus Property
8037 Brock Bridge Road
Jessup, MD 20794

Dear Ms. MacKinnon:

This is to confirm that the dates for the biennial review of your program's operation will be September 13-17, 1999. Since this established time frame is only one month away, we wish to advise you at this time of certain information that will be requested. As our review time is limited to approximately four full days, it would be helpful if your agency could gather the following information ahead of time to avoid any delays in our review process:

- Profit/Loss Statements for FY 1998 and FY 1999
- Copies of checks from donees
- List of all aircraft and vessels donated since the last review (including copies of conditional transfer documents/letters of intent)
- List of all current donees on file
- Copy of organizational chart, want list, eligibility application (sample), compliance form (sample), overage/shortage report (sample), property cancellation report (sample), and distribution document/invoice (sample)

If you have any questions regarding this request, please contact me on (215) 656-3938. - -

Sincerely,

Charles L. Robinson, Sr.
Senior Property Disposal Specialist
Property Management Division

NY State Agency “Pre-Review Checklist”

The period of time covered during this review is May 2012 through March 2017. Please ensure that the following items **which are “underlined” or otherwise notated with a “check mark”** are provided to GSA on or before April 10, 2017 so that our team has an opportunity to examine the materials prior to the scheduled review date. Questions about items which you are required to submit should be directed to Kevin Murphy, who may be reached at kevin.murphy@gsa.gov or at [\(215\)446-5841](tel:(215)446-5841).

Please provide, arrange or coordinate the following:

- ◇ Complete the attached profit/loss statement.
- ◇ Complete the attached non-donable surplus sales summary.
- ◇ Federal surplus program organization chart noting changes.
- ◇ Listings of any aircraft and vessels still under restriction and any items under perpetual restriction.
- ◇ Listing of all eligible donees on file.
 - Scan and send four to five complete and approved eligibility applications
- ◇ Listing of fifty donees by name and greatest dollar amount of property received.
- ◇ Copies of physical inventories completed by the state agency (if not previously provided) and proof of corresponding adjustments on the 3040 Report.
- ◇ Copy of the most recent internal and external audit reports (if not previously provided) and any follow-up correspondence.
- ◇ Listing of aging report of accounts receivable and/or listing of delinquent donees.
- ◇ Listing of accounts payable.
- ◇ Copies of any financial reports used to monitor the financial viability of the agency.
- ◇ Copies of sample or blank eligibility application, distribution document/invoice, donee want list, and compliance form/survey/report.
- ◇ Arrange work/desk space for approximately three review team members at the agency’s primary office location- a semi-private or conference room would be ideal.
- ◇ Arrange the holding of service charge payments received for seven days prior to the start of the review date so that they can be analyzed by review team.
 - Scan and send four to five service charge payments
- ◇ Coordinate with the review team to schedule donee visits. Copies of a sample or blank eligibility application, distribution document/invoice, donee want list, and a compliance form/survey/report.
- ◇ Other _____

Supplemental Information for
11 Current Review Sections

SECTION I

A. OPERATIONAL CAPABILITIES

References: FMR 102-37.150-170 and Appendix B (a, b); Donation Handbook, Ch. 2, para. 3 and 13d (5)(a)(i)

QUESTIONS:

1. Does the agency have an organizational chart or listing of employees showing supervisory relationships and job titles (See Attachment A)?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

2. Based upon observations of the review team and conversations with the agency's associates, is the Federal surplus program sufficiently staffed in all areas?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

3. Is employee training adequate to perform all duties and have the appropriate employees received formal GSA-sponsored eligibility and compliance training?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

4. Are written and accurate job descriptions readily accessible?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

5. Based upon conversations with the review team, discussions with agency management and any requirements listed in this review report, is the agency's state plan complete and without the need to be updated?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

REQUIREMENTS:

- None
- Secure additional resources to ensure all program areas are adequately staffed.
- Ensure that persons responsible for eligibility and compliance receive formal GSA-sponsored eligibility and compliance training.
- Specifically assign eligibility and compliance to one or more staff members.
- Immediately initiate effort to update state plan as noted in this report and submit the changes to GSA for approval.

Other

RECOMMENDATIONS:

- None
- Update state plan to include a current organizational chart and submit the proposed changes to GSA for approval.
- Secure authority and funding to hire a new employee devoted to eligibility and compliance.
- Ensure that persons responsible for eligibility and compliance receive formal GSA-sponsored eligibility and compliance training.
- Secure authority and funding to attend appropriate national/regional conferences and training.
- Create and distribute position descriptions to all employees.
- Update state plan as noted in this report and submit the changes to GSA for approval.
- Amend state plan accordingly if major or minor changes occur with the SASP's operational procedures and submit the proposed changes to GSA for approval.
- Other

B. PROPERTY ACCOUNTABILITY AND CONTROL

References: FMR 102-37.70, 75, 245-260, 290-320, 360 and Appendix B (c, g); Donation Handbook, Ch. 1, para. 19-21 and Ch. 2, para. 12, 13d (5)(a)(ii, iv, vii), 13d (5)(b)(i) and 13d (5)(b)(i)(A)-(B)(i-ii)

QUESTIONS

1. Does property in the warehouse appear well organized with Federal property segregated from state surplus?

- Yes
- No
- Other

Note: If the agency does not maintain a warehouse or storage facility, proceed to question #3 and then question #10.

2. Is property adequately protected against fire, theft, vandalism and weather?

- Yes
- No
- Other

3. Are the agency's facilities free of safety hazards that may jeopardize its employees or customers?

- Yes
- No
- Other

4. Does the SASP review its inventory to identify nondonable items and is there minimal property in its warehouse or storage space which appears nondonable?

- Yes
- No
- Other

ORGANIZATION AND OPERATIONAL CAPABILITIES

HANDBOOK:

Organization and operational capability. The agency's adherence to the table of organization in its plan of operation should be reviewed. Ascertain if the agency has adequate personnel to effect accountability, warehousing, proper maintenance, and distribution of property. Employee training should also be evaluated to determine if employees have adequate training to perform the duties assigned to them and, if not, what provisions have been made to provide such training.

OUTLINE FOR CONDUCTING REVIEW:

1. Request organizational chart to be included as exhibit in report.
2. Determine if SASP has adequate personnel to perform mission.
3. Determine if SASP provides training to personnel.
4. Are duties of employees sufficiently divided to ensure appropriate control of property, monies received, etc.
5. Is State Plan of Operation current or are changes planned?

SAMPLE WRITEUP:

A. (1) ORGANIZATION AND OPERATIONAL CAPABILITIES

The state agency has 20 full-time employees and is currently using 5 inmates to supplement their staff. Inmates are used for mostly manual labor including stocking shelves and custodial duties. They wear grey uniforms to distinguish them from other agency employees. The inmates work 40 hours per week and are paid \$10 per day. The average length of time spent at the agency by each is four to five months.

The State Legislature has made the agency an appropriated agency. The agency is not appropriated any funding, but their annual budget must be approved by the legislature.

Agency personnel have attended training sessions during the past year. The director and assistant director attended training in the regional office and other agency personnel attended Eligibility and Compliance training.

A rough draft of the proposed change to the organization chart for the state agency is made a part of this report as Exhibit 2. The number of agency personnel and inmates used appear to be more that adequate to run the state agency. Management has provided in-house training for all agency personnel. A staff meeting that includes all agency employees is held every Monday afternoon.

Office, warehousing, and distribution facilities are located on approximately 7 acres of state-owned land. The main warehouse and office cover approximately 40,000 square feet with six additional storage buildings providing another approximately 51,900 square feet of storage.

The SASP began participating in the fixed price sale program in May 1991 with the purchase of eight sedans from the National Capitol Region. The program allows state agencies to use service charge funds to purchase vehicles from the General Services Administration at a fixed price. The vehicles can then be sold to tax funded organizations within the state. The profits remain in the state agency and the property is not restricted in any way. To date, the state agency has purchased 92 vehicles, including sedans, station wagons, mini vans, pickups, 12 and 15 passenger vans and 4 wheel drive vehicles from GSA Regions 4, 6, and National Capitol Region. Total acquisition cost of the 92 vehicles was \$417,450. Profits on vehicles have ranged from \$60 to \$1,000 with the average profit per vehicle being \$500 to \$600.

NO REQUIREMENTS

NO RECOMMENDATIONS



Federal Supply Service
Washington, DC 20406



NS
6-12-9

JUN 17 1991

MEMORANDUM FOR DIRECTORS, FEDERAL SUPPLY SERVICE BUREAUS
2FB, 2FB-1, 3FB, 3FB-W, 4FB, 5FB, 6FB, 7FB,
7FB-8, 9FB, 9FB-10

FROM: ALLAN W. BERES *Allan W. Beres*
ASSISTANT COMMISSIONER FOR
TRANSPORTATION AND PROPERTY MANAGEMENT (FB) (FBP)

SUBJECT: Fixed Price Sales

The purpose of this memorandum is to clarify how fixed price sales to State and local governments through State Agencies for Surplus Property are to be handled.

The regional sales manager can offer any surplus or exchange/sale vehicle to an eligible entity through the SASP at a fixed price if such a vehicle is available and it matches the request from the SASP. Offered vehicles that are rejected by the SASP will continue without interruption into the sales mode at which time a new determination may be made on the most effective method of sale for the Government.

As a matter of policy regarding vehicles sold for the Interagency Fleet Management System (IFMS), the regional fleet manager, in conjunction with the regional sales manager, will determine which vehicles to offer at a fixed price. If a new determination is made that changes the method of sale for an IFMS vehicle, that determination has to be mutually agreed to by both regional managers.

Efforts should be made to fill reasonable SASP requests using the above guidelines. Sales at fixed prices can reduce overall sale costs while expediting disposal and return of sales proceeds to the Government.

If the property requested is unavailable, a want list should be created and the property offered to the requesting SASP when it becomes available.

If you have any questions concerning this matter, please contact Mr. William Tesh (557-0807) or Ms. Dona Gamble (557-0814) of the Sales Branch.

OPTIONAL FORM 99 (7-90)

FAX TRANSMITTAL

of pages - 1

To <i>Susan Lynch</i>	From <i>JOSEPH Hunsley</i>
Dept./Agency	Phone #
Fax # <i>202-614-8247</i>	Fax #

NSN 7540-01-317-7388

5010-101

GENERAL SERVICES ADMINISTRATION

*Copy to 3FBP/6
3FBP5
@*



General Services Administration
Federal Supply Service
Washington, DC 20406

3FB
10-23-91

DEC 16 1994

MEMORANDUM FOR DIRECTORS, FEDERAL SUPPLY SERVICE BUREAUS
2FB, 3FB, 3FB-W, 4FB, 5FB, 6FB, 7FB, 9FB,
9FB-10

FROM:

for DEIDRE HUBER
DIRECTOR
Grant E. Beau
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT: Sales to State Agencies for Surplus Property
(SASP)

As you know, a determination was made several months ago that SASPs are not authorized to use funds acquired from service and handling fees from the Federal surplus donation program to purchase Federal vehicles at public or fixed price sales.

We have now been asked if the 50 percent of the proceeds retained by SASPs from Sales of undistributed Federal property can be used to purchase property for resale. Since these funds offset the expenses incurred by SASPs for the care and handling of nondonable property, funds received as reimbursement for the costs of care and handling of nondonable Federal property cannot be used to purchase property for resale.

We have written to Mr. Marquis J. Bolton, President, National Association of State Agencies for Surplus Property, notifying him of this determination and asking him to notify all SASP's.

cc: 2FBP-1
7FBPS-8



May 1, 2018

MEMORANDUM FOR DIRECTORS, GSA PERSONAL PROPERTY MANAGEMENT ZONES
DIRECTORS, STATE AGENCIES FOR SURPLUS PROPERTY

FROM: SUSANNE COMBS e-Signed by Susanne Combs
on 2018-04-30
DIRECTOR, OFFICE OF PERSONAL PROPERTY MANAGEMENT

SUBJECT: Clarification of Negotiated Sale at Fixed Price of Federal Personal
Property to State Agencies

The purpose of this memorandum is to clarify the rules pertaining to the sale of Federal property via negotiated sale at fixed price and the role of State Agencies for Surplus Property (SASPs) in such sales as authorized by 40 U.S.C. 545(d).

This memorandum supersedes the following memoranda:

- *Subject: Fixed Price Sales to State and Local Governments*, dated May 6, 2011
- *Subject: Clarification of Fixed Price Sales to State Agencies*, dated October 2, 2017

What is a negotiated sale at fixed price to/through a SASP prior to competitive sale?

Negotiated sale at fixed price is when GSA sells Federal surplus or exchange/sale property prior to a public competitive sale to/through a SASP.

How is this type of negotiated sale at fixed price executed? This type of negotiated sale at fixed price can be executed in one of two ways:

- GSA can complete the sale directly to a SASP, either for use by the SASP, or for further distribution within the state; or
- GSA can complete the sale with an entity when the SASP provides positive confirmation to the GSA Sales Center that the buyer is an eligible entity within the SASP's jurisdiction. Per Federal Management Regulation (FMR) §102-38.125, an eligible entity is defined as "States, territories, possessions, political subdivisions thereof, or tax-supported agencies therein, which have expressed an interest in obtaining the property."
- The process to initiate this type of negotiated price at fixed sale for exchange/sale Federal Property can be found in Attachment 1.

Who are eligible entities for this type of negotiated sale at fixed price? A State, territory, or possession of the United States, or a political subdivision of, or a tax-supported agency in, a State, territory, or possession (40 U.S.C. § 545(b)(8)).

What is meant by a tax-supported? To meet the qualifications of tax-supported, such agency, organization, or institution must be supported in whole or in part with public funds. Public funds are such funds as may have been appropriated by the State, county, or local government in support of the function performed. An organization solely supported by a one-time grant or gift would not fall within the definition of tax-supported.

How does the SASP communicate eligibility to GSA? SASPs must inform GSA in writing that the entity interested in purchasing is eligible as required in the FMR. Without the SASPs confirmation of eligibility, GSA will not conduct the negotiated sale at fixed price with the entity.

Why does GSA conduct this type of negotiated sales at fixed price? GSA is authorized by statute to forego competitive sale to the public and make a negotiated sale at fixed price either directly to or through a SASP¹. GSA does this to provide SASPs and eligible entities an opportunity to purchase Federal exchange/sale property prior to offering for public competitive sale.

Can a SASP charge a fee for making negotiated sales at fixed price eligibility determinations? The decision rests with each State to interpret its own State law when determining if such service charges are allowed.

For additional information on this topic, please contact Mike Wyckoff, Sales Director, at 703-605-5748.

2 Attachments

- GSA's Process to Initiated Negotiated Sale at Fixed Price for Exchange/Sale Federal Property
- Regulations Pertaining to Negotiated Sale at Fixed Price

¹ "However, the sale must be publicized to an extent consistent with the value and nature of the property involved and the price established must reflect the estimated fair market value of the property." 40 U.S.C. §545(d)(1)

**GSA's Process to Initiate Negotiated Sale at Fixed Price
for
Exchange/Sale Federal Property**

This process does NOT include GSA Fleet Vehicle Sales

Exchange/sale items are featured in GSAXcess for 2 days:

- A. As soon as the SASP or public agency donee is aware of an interest in an item at a negotiated sale at fixed price sale, immediately inform the GSA Zone primary point of contact (POC) listed in the table below that corresponds to the location of the property.
- B. The GSA POC can stop the item from moving on to a public sale based on a negotiated sale at fixed price request.
- C. If you do not get a response from the GSA primary POC below within 2 business days, then contact the secondary POC. If neither the primary or secondary POCs are available, the SASP should contact the GSA Zonal U&D Branch Chief or Area Property Officer to request assistance.
- D. SASPs must inform GSA in writing that the entity interested in purchasing is eligible as required in the FMR. Without the SASPs confirmation of eligibility, GSA will not conduct the negotiated sale at fixed price with the entity.

Example of How Process Works:

- A. City of Macon, GA is looking for a truck in good condition. While looking in GSAXcess®, they see a 2012 Chevrolet pickup truck listed as exchange/sale. The truck is physically located in New Orleans, LA.
- B. Macon contacts the Georgia SASP to let them know they are interested in buying this truck.
- C. The Georgia SASP immediately looks at the point of contact chart below to see who handles property in LA. The GSA POC is Mark Maxwell.
- D. The SASP reaches out to Mark Maxwell to let him know they have a donee interested in a negotiated sale at fixed price.
- E. If the SASP does not get a response from Mark within 2 days, they should contact the secondary POC. If neither the primary or secondary POCs are available, the SASP should contact the GSA Zonal U&D Branch Chief or Area Property Officer to request assistance.

GSA POC LIST FOR NEGOTIATED SALES AT FIXED PRICE

ZONE	POCS	TELEPHONE #	EMAIL	STATES COVERED
Mid-Atlantic				
(Primary)	Karen Craig	215-446-5071	karen.craig@gsa.gov	CT DE MA MD ME NH NJ NY PA RI VT WV VA PR VI
(Secondary)	George Elefante	215-446-5072	george.elefante@gsa.gov	
National Capital				
(Primary)	Corlette Bumbrey	703-605-9319	corlette.bumbrey@gsa.gov	DC, Metro MD, Metro VA
(Secondary)	Antonio Williams	703-605-9340	antonio.williams@gsa.gov	
Southeast-Great Lakes				
(Primary)	Antino Harmon	404-215-8693	antino.harmon@gsa.gov	AL FL GA IL IN KY MI MN MS NC OH SC TN WI
(Secondary)	Tonya Dillard	404-331-0535	tonyar.dillard@gsa.gov	
Southwest-Central				
(Primary)	Mark Maxwell	817-850-8154	mark.maxwell@gsa.gov	AR, IA, KS, LA, MO, NE, NM, OK, TX
(Secondary)	Greg Schwartz	303-236-7704	gregory.schwartz@gsa.gov	
(Primary)	Greg Schwartz	303-236-7704	gregory.schwartz@gsa.gov	CO, MT, ND, SD, UT, WY
(Secondary)	Mark Maxwell	817-850-8154	mark.maxwell@gsa.gov	
Pacific Rim				
(Primary)	Sindi Nishimura	415-522-3032	sindi.nishimura@gsa.gov	AK AZ CA HI ID NV OR WA AS CM GU NMI
(Secondary)	Bonnie Powell	253-931-7569	bonnie.powell@gsa.gov	

Regulations Pertaining to Negotiated Sales at Fixed Price

(1) Title 40 United States Code (U.S.C). § 545(d)

GSA is authorized by statute to forego competitive sale to the public and make a negotiated sale at fixed price through a State Agency for Surplus Property (SASP) to a "State, territory, or possession of the United States, or to a political subdivision of, or a tax-supported agency in, a State, territory, or possession." 40 U.S.C. § 545 (b)(8). This authority is implemented in the Federal Management Regulation (FMR), codified in Title 41 of the Code of Federal Regulations.

(2) Title 41 of the Code of Federal Regulations (C.F.R.):

(a) §102-38.125 May we sell personal property at fixed prices to State agencies?

Yes, before offering to the public, you may offer the property at fixed prices (through the State Agencies for Surplus Property) to any States, territories, possessions, political subdivisions thereof, or tax-supported agencies therein, which have expressed an interest in obtaining the property. For additional information, see subpart G of this part.

(b) §102-38.340 How may we sell personal property to State and local governments?

You may sell Government personal property to State and local governments through—

- (a) Competitive sale to the public;
- (b) Negotiated sale, through the appropriate State Agency for Surplus Property (SASP); or
- (c) Negotiated sale at fixed price (fixed price sale), through the appropriate SASP. (This method of sale can be used prior to a competitive sale to the public, if desired.)

(c) §102-39.55 When should I offer property I am exchanging or selling under the exchange/sale authority to other Federal agencies or State Agencies for Surplus Property (SASP)?

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

[...]

(b) State Agencies for Surplus Property (SASPs) known to have an interest in acquiring such property. If a SASP is interested in acquiring the property, you should consider selling it to the SASP by negotiated sale at fixed price under the conditions specified at §102-38.125 of this title. The sales proceeds must be applied in whole or part payment for property acquired to replace the transferred property.

DEC 16 1994

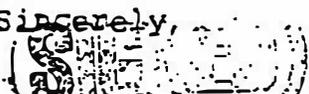
Mr. Marquis J. Bolton
President, National Association of
State Agencies for Surplus Property
Commonwealth of Virginia
1910 Darby Town Road
Richmond, Virginia 23231

Dear Mr. Bolton:

The General Services Administration (GSA) made the determination several months ago that State Agencies for Surplus Property (SASP) are not authorized to use funds acquired from service and handling fees from the Federal surplus donation program to purchase Federal vehicles at public or fixed price sales. The service and handling fees collected by SASPs through the Federal surplus donation program may be used to fund the donation program, not to operate a resale program.

The question has been raised as to whether the 50 percent of the proceeds retained by SASPs from sales of undistributed Federal property can be used to purchase property for resale. These funds offset the expenses incurred by SASPs for the care and handling of nondonable Federal property. Since these funds are to replace funds which would otherwise be devoted to the Federal surplus donation program, funds received as reimbursement for the costs of care and handling of nondonable Federal property cannot be used to purchase property for resale.

We will appreciate your notifying all SASPs of the above determination.

Sincerely,
 Deidre Huber

Deidre Huber
Director
Property Management Division

OPTIONAL FORM 98 (7-90)

FAX TRANSMITTAL		# of pages ▶ 1
To Joe Nvarecky	From Grant Beattie	
Dept./Agency	Phone # GSA	
Fax # 215-656-3924	Fax #	
NSN 7540-01-317-7358		5099-101 GENERAL SERVICES ADMINISTRATION

on 3946

Other

RECOMMENDATIONS:

- None
- Update state plan to include a current organizational chart and submit the proposed changes to GSA for approval.
- Secure authority and funding to hire a new employee devoted to eligibility and compliance.
- Ensure that persons responsible for eligibility and compliance receive formal GSA-sponsored eligibility and compliance training.
- Secure authority and funding to attend appropriate national/regional conferences and training.
- Create and distribute position descriptions to all employees.
- Update state plan as noted in this report and submit the changes to GSA for approval.
- Amend state plan accordingly if major or minor changes occur with the SASP's operational procedures and submit the proposed changes to GSA for approval.
- Other

B. PROPERTY ACCOUNTABILITY AND CONTROL

References: FMR 102-37.70, 75, 245-260, 290-320, 360 and Appendix B (c, g); Donation Handbook, Ch. 1, para. 19-21 and Ch. 2, para. 12, 13d (5)(a)(ii, iv, vii), 13d (5)(b)(i) and 13d (5)(b)(i)(A)-(B)(i-ii)

QUESTIONS

1. Does property in the warehouse appear well organized with Federal property segregated from state surplus?

- Yes
- No
- Other

Note: If the agency does not maintain a warehouse or storage facility, proceed to question #3 and then question #10.

2. Is property adequately protected against fire, theft, vandalism and weather?

- Yes
- No
- Other

3. Are the agency's facilities free of safety hazards that may jeopardize its employees or customers?

- Yes
- No
- Other

4. Does the SASP review its inventory to identify nondonable items and is there minimal property in its warehouse or storage space which appears nondonable?

- Yes
- No
- Other

5. Has the SASP performed a physical inventory as the state plan requires and when was this last performed?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

Note: If the agency has not performed a physical inventory, proceed to question #9.

6. Did the agency report the results of this inventory (alongwith any adjustments and explanations) to the regional office within 15 days as required?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

7. Is the inventory variance acceptable?

<input type="checkbox"/>	Variance is 1% or less = No follow-up is necessary.	
<input type="checkbox"/>	Variance is 1% - 5% = Further investigation and explanation may be warranted.	
<input type="checkbox"/>	Variance is greater than 5% = In depth investigation and explanation is required.	
<input type="checkbox"/>	Other	

8. Were all inventory adjustments reported on the agency's 3040 report as required?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

9. Are there specific procedures implemented to provide for proper identification, receipt, and display/storage of property?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

10. Are donee want lists effectively collected, distributed and utilized?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

11. Does an adequate "audit trail" exist for each item of property listed on the SF123 spreadsheet (SeeAttachment B).

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

12. List the number of items reviewed from SF123s:

<input type="text"/>

13. List the number of items which the agency lacked accountability or documentation for adequate audit trail purposes:

14. Are overages with an original acquisition cost of \$500 or more properly documented using a SF123 and submitted to GSA for approval within 30 days as required?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

15. Are shortages with an original acquisition cost of \$500 or more properly reported to GSA within 30 days as required?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

16. Are all overages, shortages and cancellations reported on the agency's 3040 report as required (regardless of the dollar amount)?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

Note: If the agency does not maintain a warehouse or storage facility, proceed to question #19.

17. Check the agency's state plan to determine if there is any reference to implementing a low dollar value (LDV) threshold for inventory. How does the agency track or control LDV items?

<input type="checkbox"/>	Items are placed into separate "stock groups" and maintained by item count.
<input type="checkbox"/>	Items are accounted for individually the same as all other items.
<input type="checkbox"/>	Other

Note: If the agency's plan does not reference the existence of an accountability threshold based upon acquisition cost, proceed to question #19.

18. Does it appear that these items are being effectively tracked or controlled?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

19. Does the agency follow the proper procedures for revising an item's a/c?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

20. Review the distribution documents for items donated which appear on the SF123 spreadsheet (See Attachment B). Is the agency able to ensure that only those authorized representatives are

properly signing distribution documents for all donation transactions (including any "direct" donations)?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

21. If the agency does not require signatures along with the authorized representatives listing at time of application or does not verify signatures at the time which property is released, has the agency implemented sufficient procedures to ensure property is only released to those who are "authorized" to represent the donee?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

22. If the agency "primarily" donates property to donees on a "direct" donation basis has the agency modified its state plan of operation to outline its procedures for this method of distribution?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

23. Has the agency submitted its 3040 report (preferably) electronically to GSA within 25 days after being notified by GSA that it may proceed?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

24. Do the beginning and ending inventories listed on the agency's various 3040 reports "reasonably" coincide (variance less than 5%) with the inventories which appear on GSA's RCS55 Report? Provide an explanation for any answer chosen below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

25. Is there a reasonable and acceptable explanation as to why the dollar amounts on the above mentioned reports do not match?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

REQUIREMENTS:

- None
- Ensure Federal surplus is kept separate from state property.
- Initiate effort to secure funding to improve security and prevent potential theft and vandalism of Federal surplus.
- Provide a secure storage area within the warehouse to protect highly pilferable items.

<input type="checkbox"/>	Complete a physical inventory within the next 60 days and submit the results (with any adjustments and written explanations) to GSA within 15 days after the inventory is completed.
<input type="checkbox"/>	Investigate and report to GSA why the inventory variance is poor (i.e. greater than 5%).
<input type="checkbox"/>	Ensure that inventory results are submitted to GSA within 15 days after the inventory is completed and that all adjustments required as a result of that inventory are appropriately recorded on the agency's next 3040 report.
<input type="checkbox"/>	Research and determine the status of the items that lacked accountability or documentation for adequate audit trail purposes noted in Question 13 and which appear on the SF123 spreadsheet or Attachment B.
<input type="checkbox"/>	Create written internal procedures to improve the agency's effort to account for property from receipt to issue for adequate audit trail purposes.
<input type="checkbox"/>	Overages totaling \$500 or more must be submitted on a separate SF123 to the allocating office for approval within 30 days. Submit a copy of the SF123 to the GSA region where the SASP is located if the allocating office is a different location.
<input type="checkbox"/>	Shortages totaling \$500 or more must be reported to the allocating office within 30 days. Submit a copy of the shortage report to the GSA region where the SASP is located if the allocating office is a different location.
<input type="checkbox"/>	Report all overages, shortages and cancellations regardless of dollar amount on the agency's 3040 report submission.
<input type="checkbox"/>	Pick up property allocated within required time frames. If canceling property, notify the allocating official and if the SF123 was already approved by GSA, annotate the next 3040 report.
<input type="checkbox"/>	Establish written procedures to ensure distribution documents are signed by authorized representatives for all donation transactions (including any "direct" donations).
<input type="checkbox"/>	Establish written procedures to ensure property is only released to those who are "authorized" to represent the donee in instances where the agency does not require signatures along with the authorized representatives listing at time of application or does not verify signatures at the time which property is released.
<input type="checkbox"/>	Update the agency's state plan to outline the procedures associated with donating property "directly" to donees.
<input type="checkbox"/>	Ensure that 3040 reports are submitted to GSA within 25 days of the end of the quarter and that the reports are submitted electronically (preferably).
<input type="checkbox"/>	Work with the regional GSA office to determine why the agency's beginning and ending inventory figures do not reasonably match the amounts which appear on GSA's RCS55 report. Complete any needed adjustments using the next 3040 Report.
<input type="checkbox"/>	Other

RECOMMENDATIONS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Review inventory to determine if any nondonable property exists. If nondonable property is present, contact GSA Sales for the purpose of conducting a sale.
<input type="checkbox"/>	Provide the results of any future physical inventories (with any adjustments and written explanations) to GSA within 15 days.
<input type="checkbox"/>	Implement greater use of donee want lists.
<input type="checkbox"/>	Create written procedures to improve the agency's effort to account for property from receipt to issue for audit trail purposes.
<input type="checkbox"/>	Update the agency's state plan to outline the procedures associated with donating property

<input type="checkbox"/>	“directly” to donees.
<input type="checkbox"/>	Work with the regional GSA office to determine why the agency’s beginning and ending inventory figures do not reasonably match the amounts which appear on GSA’s RCS55 report. Complete any needed adjustments using the next 3040 Report.
<input type="checkbox"/>	Other <input type="text"/>

C. FISCAL MANAGEMENT

References: FMR 102.37.55, 275-285 and Appendix B (e); Donation Handbook, Ch. 1, para. 8-9 and Ch. 2, para. 13d (5)(a)(iii-v) and 13d (5)(b)(vii).

QUESTIONS:

1. Does the state's accounting system segregate state and Federal surplus funds?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

2. If the state purchases vehicles from any Federal agency including GSA, does the state only use “state” funds to pay for all program costs and expenses associated with these vehicles and deposit any revenue eventually derived from these vehicles in a “state” fund and not the “Federal” surplus fund account?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

3. If the state receives “abandoned” property from the Transportation Security Agency (TSA) and the property is given to the state in lieu of abandonment (and without the use of a SF123), does the state only use “state” funds to pay for all program costs and expenses associated with these items and deposit any revenue eventually derived from TSA property in a “state” fund and not the “Federal” surplus fund account?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

4. Since the Law Enforcement Support Organization (LESO) Program is not part of the Federal surplus program, does the state only use “state” funds to pay for all program costs and expenses associated with LESO property and deposit any revenue eventually derived from LESO property in a “state” fund and not the “Federal” surplus fund account?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

5. Review financial documents used by the program director. Is the data adequate for use by the director in monitoring the financial viability of the agency?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>

PROPERTY AND INVENTORY CONTROL

HANDBOOK:

Property and inventory control. Accurate records which establish the accountability of all donable property must be maintained. Periodic physical inventories must be completed and records should provide an "audit trail" for individual items of property from receipts to distribution. Review State ledgers and compare property receipts with property distributions. Inventory records are to be examined for frequency, accuracy, and method of reconciliation. Special attention should be given to records relating to items with an acquisition cost of \$5,000 or more and property subject to special terms and conditions. Review procedures for reporting overages and shortages and compare reports with regional records.

OUTLINE FOR CONDUCTING REVIEW:

1. Select SF123s to be followed through system before leaving regional office. Select a variety of SF123s including reportable and nonreportable property. Include property approved by your region and use information copies provided by other regions. Only problem areas or areas worthy of special comment should be included in the report. If records indicate that property has been donated, the distribution document should be checked. If records indicate that property is in SASP inventory, property should be located using locator system and actually counted. Forms booklet provides form for this process.
2. Special attention should be paid to property with an acquisition cost of \$5,000 or more.
3. Determine if agency has adopted a low dollar value inventory. What dollar threshold is used? Can these items be tracked through the inventory? Determine percentage of property carried in low dollar value inventory by reviewing 3040 reports.
4. Using SASPs locator system, locate items on SF123s still in SASPs inventory. If property cannot be located assistance should be requested from SASP personnel and locator system or lack of locator system commented upon in report.
5. Check inventory adjustments. An acceptable percentage of net adjustments should be less than 1 percent. Chapter 11 on the Donation Handbook on Noncompliance requires that a report of inventory discrepancies be forwarded to the region within 15 days of completion of an inventory.

6. Check procedure for reporting overages and shortages. Check reports on compliance items. Are reports submitted in a timely manner?
7. Determine frequency of inventory required by the state plan.
8. Check inventory turnover ratio. If a spreadsheet has previously been prepared from 3040 reports, this may have already been accomplished.
9. If agency has both state and Federal surplus is property commingled.

SAMPLE WRITEUP:

A. (2) PROPERTY AND INVENTORY CONTROL

More than fifty SF123s, Transfer Orders Surplus Personal Property, both reportable and nonreportable, from numerous regions were pulled at random. Property was traced from the Federal agency to the distribution document or present location in the agency warehouse. All items of property were located.

New inventory classifications were submitted to GSA on August 29, 1990, and are being used by the state agency (Exhibit 3). The classifications are more detailed than the previous F classes used by the agency.

The basic differences in this inventory and the system used by previous management are:

1. F classes have been broken down into more specific categories.
2. All property that comes into the agency is divided into two categories, property with an acquisition cost of \$250 or less and property with an acquisition cost of more than \$250. All of the property \$250 and below is entered into the F categories. All property with an acquisition cost of more than \$250 becomes a line item.
3. Certain categories of property are now issued by pounds, i.e. buttons, nuts, bolts, and metal. Scales in the SASP yard are used to weigh out metal up to 10,000 pounds. Anything more than 10,000 pounds is taken to an outside source. Miscellaneous items up to 400 pounds can be weighed on warehouse scales.

As a requirement of the audit report of the Inspector General's Office of the General Services Administration, a wall-to-wall inventory was conducted by state agency personnel and observed by

<u>REPORT NUMBER</u>	<u>ITEM</u>	<u>REQUESTED</u>	<u>RECEIVED</u>
----------------------	-------------	------------------	-----------------

RECEIVING AND WAREHOUSING

HANDBOOK:

Receiving and warehousing. A physical inspection of the state agency's distribution center facilities should be made. If the state agency's operates satellite distribution facilities, at least one of these facilities should also be visited. Particular attention should be directed to the following areas of activity. Comments on any deficiencies noted in these areas should be entered in the review report.

(1) Receiving, storage, and display of property. Determine if property is displayed in such a way as to permit inspection by eligible donees. Ascertain if the warehouse is clean, orderly, and efficiently run. Check if there are adequate provisions for protecting property against the hazards of fire, theft, vandalism and weather. Ensure that suitable provisions have been made for hazardous and usually valuable materials. Establish if Federal property is segregated from state property.

(2) Safety practices. Ensure that there is concern for employee and donee safety.

OUTLINE FOR CONDUCTING REVIEW:

1. How much warehouse space is available?
2. Describe outside storage.
3. Are warehouses and yard crowded?
4. Are warehouses and yard clean and organized?
5. Is a locator system used?
6. Can property be located easily using locator system?
7. Is property well displayed for selection by donee?
8. What kind of security does SASP have? Fenced yard? Alarm system? Lighting?
9. How is hazardous material displayed?

10. Is fired brass stored in warehouse?
11. Are small items secured?
12. Is there concern for public and employee safety?
13. Does SASP handle state surplus? Is state surplus kept separate from Federal surplus?
14. Are items stored outside that would deteriorate from exposure?
15. Check procedure for receiving property.
16. How is property marked for identification purpose?

SAMPLE WRITEUP:

B. (2) DISTRIBUTION

More than 90 percent of all property is picked up by donees at the state agency. Deliveries are made by the agency when requested at a charge of \$1 per mile, each way. A small percentage of property is obtained by direct pick up at the holding agencies by the donees, and service charges are reduced by 50 percent.

The state agency uses commercial carriers as well as their own trucks for picking up property from holding agencies. Carriers used include Ranger Cargo and J and J. The agency's fleet of vehicles include the following: 2 over the road truck tractors, 4 flat beds, 2 vans (semi), 1 lowboy, 1 tractor, 1 pickup, 3 sedans, and a box van.

NO REQUIREMENTS

NO RECOMMENDATIONS



General Services Administration
Federal Supply Service
Washington, DC 20406



APR 23 1990

MEMORANDUM FOR DIRECTORS, FEDERAL SUPPLY SERVICE BUREAUS
2FB-1 2FB 3FB 3FB-W 4FB 5FB 6FB 7FB
7FB-8 9FB 9FB-10

DIRECTORS, STATE AGENCIES FOR SURPLUS PROPERTY
(SASP'S)

FROM:

STANLEY M. DUDA
DIRECTOR
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT: Adequate control by SASP's of Federal surplus
personal property

A recent report issued by the Inspector General's (IG's) Office of Audits expressed concern that our April 5, 1989, memorandum to all regions and SASP's on accountability and control procedures does "...not require State agencies to maintain adequate controls over some Federal surplus property in their inventories." The IG report is primarily concerned with property below established accountability thresholds, especially property sensitive to theft such as scrap metals. It specifically recommends that SASP's be required to maintain adequate control records for such property.

Our memorandum of September 11, 1989, on GSA Form 3040 statistical requirements specifies reporting of property receipts and dispositions below each State agency's accountability threshold. While certain records must be kept by SASP's in order to provide these required statistics, this level of recording may not be sufficient to satisfy standards for control and security suggested in the IG report, which states: "Such records should show the receipt and disposition of the property and should be sufficient, in the event of theft, to determine and describe missing property."

Federal Property Management Regulations (FPMR) 101-44.202(c)(3) requires SASP's "...to use a management control and accounting system that will effectively govern the utilization, inventory control, accountability and disposal of donable surplus property." We hereby interpret this regulation as requiring SASP's to maintain adequate control records for all donable surplus property, particularly items sensitive to theft. The term "adequate control records" is further defined to require sufficient documentation to show the receipt and disposition of all Federal property, including determination and description of missing property in the event of theft.

Effective immediately, all regions shall report on the adequacy or deficiency of SASP control records for all donable surplus property when conducting biennial SASP reviews. This evaluation is to be entered under the review report section entitled "Property and inventory control."

Please contact Mr. William Albee on (703) 557-0808 if you need further assistance in interpreting or carrying out the requirements of this memorandum.

CC: Associate Administrator for
Operations and Industry Relations (AL)



General Services Administration
Federal Supply Service
Washington, DC 20406

3FBP
JW

AUG 0 1994

MEMORANDUM FOR LOUISE J. WHITE
ACTING DIRECTOR
FEDERAL SUPPLY SERVICE BUREAU (3FB)

FROM: LESTER D. GRAY, JR. *Lester D. Gray*
DIRECTOR
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT: Inventory Variance Ratio -
Pennsylvania State Agency

This is in response to your memorandum of January 28, 1994,
subject as above.

We recommend that if an inventory variance is 1% or less is noted than no further investigation of the inventory controls would be needed. However, if the variance is between 1% and 5%, further review of the inventory controls and compliance with these controls by the State Agency for Surplus Property (SASP) may be warranted. If further investigation is conducted, areas to consider are number of line items adjusted, types of property being adjusted (high dollar vs low dollar items), and patterns of property being adjusted. It is possible that the variance can be justified or explained by the SASP and no further action required even though the variance, as an example is 3.5% or higher. If the variance is above 5% you should consider a more in-depth review and possible audit. Naturally, if there are consistently high variances or patterns of losses, an audit should definitely be required.



General Services Administration
 Federal Supply Service
 Washington, DC 20406

SEP 3 1997

MEMORANDUM FOR CHIEF, PERSONAL PROPERTY MANAGEMENT BRANCH
 2FBP, 2FBP-1, 3FP-W, 3FPD, 4FD, 5FBP, 6FBP, 7FMP,
 7FP-8, 9FBP, 10FZP-O

FROM: DEIDRE HUBER *Deidre Huber*
 DIRECTOR
 PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT: Approval of Overseas Property for Donation

This office received a letter dated June 18, 1997, letter from Mr. William Wilson, President of the National Association of State Agencies for Surplus Property (NASASP), concerning approval of SF 123s for overseas property. It was requested that the Property Management Division review the approval process. Upon reviewing the process it has been determined that three regions will approve overseas transfers. The areas of generation and regional responsibilities are as follows:

<u>AREA OF GENERATION</u>	<u>REGION OF APPROVAL</u>
Europe, the Caribbean, and Cuba	The Mid-Atlantic Region, Philadelphia, PA
Central, Latin and South America --	The Greater Southwest Region, Fort Worth, TX
Asia and the Pacific	The Pacific Rim Region San Francisco, CA

The effective date for this action is September 15, 1997. We have further attached the paperwork flow for the overseas shipments.

If you have any questions concerning this matter contact Bob Goulet on 703-308-0374

Attachment

SEP - 8 1997

Guidelines for overseas shipments

Requests for transfers (SF123) will be processed to the GSA region responsible for approval base on the area of generation of the surplus property.

Approving region will process SF123 and make appropriate distribution of the SF123. (Overseas coordinator, SASP, host Region)

Copies of the Shipping documents will be furnished to the approving Region based on the property generation area.

Approving region will receive and enter data to the system from the shipping document and forward copies of the documents to applicable SASP and host region.

GSA
(3FPU-N2
MID-ATLANTIC REGION(3)
100 E PENN SQ
PHILADELPHIA PA 19107-3322

GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

July 14, 1998

FEDERAL PROPERTY MANAGEMENT REGULATIONS
AMENDMENT H-198

TO: Heads of Federal Agencies

SUBJECT: Change to Subchapter H--Utilization and Disposal

1. Purpose. This amendment transmits changed pages to Subchapter H--Utilization and Disposal.
2. Effective date. The regulation transmitted by this amendment is effective December 1, 1998.
3. Background. This regulation streamlines and simplifies the assignment of disposal condition codes which Federal agencies use to report their excess personal property for utilization and donation.
4. Explanation of changes. Section 101-43.4801(d) is amended to reduce the number of condition codes from 11 to 5 and to more accurately define the condition of the excess personal property.



DAVID J. BARRAM
Administrator of General Services

Attachment

Filing Instructions

Remove

4348.3 and 4348.4

Insert

Same

(d) The appropriate disposal condition code from the table below shall be assigned to each item record, report, or listing of excess personal property:

Disposal Condition Code	Brief definition	Expanded definition
1	Excellent	Property which is in new condition or unused condition and can be used immediately without modification or repairs.
4	Usable.....	Property which shows some wear, but can be used without significant repair.
7	Repairable.....	Property which is unusable in its current condition but can be economically repaired.
X	Salvage.....	Property which has value in excess of its basic material content but repair or rehabilitation is impractical and/or uneconomical.
S	Scrap.....	Property which has no value except for its basic material content.

(e) In addition to the appropriate disposal condition code from the table in paragraph (d) of this section, each item record, report, or listing of the Department of Defense excess personal property shall also contain the appropriate supply condition codes assigned before or at the time the item was declared excess, except item records, reports, or listings of contractor inventory when a determination is made that inclusion of the supply condition code is impractical. When available, civil agencies shall include the appropriate supply condition code in each item record, report, or listing of excess personal property. These codes which provide additional material condition information for screening purposes, follow:

Supply condition code	Brief definition	Expanded definition
A	Serviceable (issuable without qualification)...	New, used, repaired or reconditioned material that is serviceable and issuable to all customers without limitation or restriction. Includes material with more than 6 months shelf-life remaining.
B	Serviceable (issuable with qualification)...	New, used, repaired, or reconditioned material that is serviceable and issuable for its intended purpose but is restricted from issue to specific units, activities, or geographical areas by reason of its limited usefulness or short service-life expectancy. Includes material with 3 to 6 months shelf-life remaining.
C	Serviceable (priority issue).....	Items that are serviceable and issuable to selected customers, but must be issued before Condition A and B material to avoid ... loss as a usable asset. Includes material with less than 3 months shelf-life remaining
D	Serviceable (test/modification).....	Serviceable material that requires test, alteration, modification, conversion, or disassembly. (This does not include items that must be inspected or tested immediately before issue.)
E	Unserviceable (limited restoration).....	Material that involves only limited expense or effort to restore to serviceable condition and that is accomplished in the storage activity where the stock is located.
F	Unserviceable (reparable).....	Economically reparable material that requires repair, overhaul, or reconditioning, including reparable items which are radioactively contaminated.
G	Unserviceable (incomplete).....	Material requiring additional parts or components to complete the end item before issue.
H	Unserviceable (condemned).....	Material that has been determined to be unserviceable and does not meet repair criteria, including condemned items that are radioactively contaminated.
S	Unserviceable (scrap).....	Material that has no value except for its basic material content. No stock will be recorded as onhand in Condition Code S. This code is used on the transactions involving shipments to DPDOs. Material will not be transferred to Condition Code S before being turned in to PDO's if material is recorded in Condition Code A through H at the time material is determined excess. Material identified by NSN will not be identified by this Condition Code.

5. 101-43.4802 Regional office addresses and assigned areas.

Region and office address	Regional areas
National Capital Region 7'th and D Streets SW Washington DC 20407	District of Columbia, Maryland (Prince Georges and Montgomery Counties only), Virginia (Prince William, Loudoun, Fairfax, Arlington, and, the City of Alexandria only.)
1. General Services Administration, Boston Federal Office Building 10 Causeway Street, Boston, MA 02222.	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.
2. General Services Administration, Jacob K. Javits Federal Building 26, Federal Plaza, New York, NY 10278.	New Jersey, New York Commonwealth of Puerto Rico, Virgin Islands.
3. General Services Administration, 9th and Market Streets, Philadelphia, PA 19107.	Delaware, Maryland Pennsylvania, Virginia West Virginia.
4. General Services Administration, 75 Spring Street, SW. Atlanta, GA 30303.	Alabama, Florida, Georgia, Kentucky Mississippi, North Carolina, South Carolina, Tennessee.
5. General Services Administration, 230 South Dearborn Street, Chicago, IL 60604.	Illinois, Indiana, Michigan Minnesota, Ohio, Wisconsin.
6. General Services Administration, 9001 State Line Road, Suite 308, Kansas City, MO 64114.	Iowa, Kansas, Missouri, Nebraska
7. General Services Administration, 819 Taylor Street, For Worth, TX 76102.	Arkansas, Louisiana, New Mexico, Oklahoma, Texas
8. General Services Administration Building 41, Denver Federal Center Denver, CO 80225.	Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming
9. General Services Administration, 525 Market Street, San Francisco, CA 94105.	Arizona, California, Hawaii, Nevada Pacific Ocean Areas.
10. General Services Administration, GSA Center, Auburn, WA 98002.	Alaska, Idaho, Oregon, Washington.

§101-43.4803 List of Government corporations (31 U.S.C. 846, 856).

Wholly owned and mixed ownership Government corporations are not necessarily limited to those listed below.

Wholly Owned Government Corporations

Commodity Credit Corp.
Export-Import Bank of the United States.
Federal Crop Insurance Corp.
Federal Housing Adm.
Federal Prison Industries Inc.
Federal Savings and Loan Insurance Corp.
Government National Mortgage Assn.
Overseas Private Investment Corp
Panama Canal Co.
Saint Lawrence Seaway Development Corp.
Tennessee Valley Authority.
Virgin Islands Corp.

Mixed-Ownership Government Corporations

Central Back for Cooperatives and the Regional Banks for Cooperatives.
Federal Deposit Insurance Corp.
Federal Home Loan Banks.
Federal Intermediate Credit Banks.
Federal Land Banks.
The National Railroad Passenger Corp.
The Rural Telephone Bank.

§101-43.4804 Demilitarization costs and related instructions.

There are 13 demilitarization codes in use, however, the provisions of §101-43.315-5(h)(2) apply only to items identified with five of the codes. The five codes and related demilitarization instructions are as follows:

Code and Demilitarization Instructions

- C-MLI-Remove and/or demilitarize installed key point(s), or lethal parts components, and accessories.
- D-MLI-Demilitarize by mutilation (make unfit for intended purpose) by melting, cutting, tearing, scratching, crushing, breaking, punching, or neutralizing. (As an alternative, burial or deep water dumping may be used when authorized.)
- E-MLI-Demilitarize by burning, shredding, or pulping
- F-MLI-Demilitarization instructions to be furnished by the item manager.
- L-MLI-Demilitarization by mutilation (make unfit for intended purpose by melting, cutting, tearing, scratching, crushing, breaking, punching, neutralizing. (As an alternative, burial, or deep water dumping may be used when authorized.) This code will be applied only to items identified as being a component of a key point on a major end item.

(Next Page is 4349)

NONUTILIZED DONABLE PROPERTY

HANDBOOK:

Nonutilized donable property. Review methods used to dispose of undistributed property. Determine if current procedures for identifying unneeded usable property and offering it for transfer to other states or reporting it back to GSA are effective. Determine what steps are being taken to minimize the acquisition of nondonable property.

OUTLINE FOR CONDUCTING REVIEW:

1. Check to see what percentage of property in inventory is more than 18-24 months old.

2. Check to see how much of this property is considered long supply.

3. Check amount of reimbursement being requested from auctions.

50/50 split * 4. Does SASP request actual transportation or request percentage reimbursement? Is the percentage or the actual transportation charge reasonable?

4. How many auctions, sealed bid sales, are held each year.

5. Are SASP personnel helping with auctions.

6. Are lists submitted 8 weeks prior to sale date.

7. Is SASP turning property into DRMOs.

* 8. Are abandonment and destruction forms forwarded to GSA?

SAMPLE WRITEUP:

A. (7) NONUTILIZED DONABLE PROPERTY

The state agency is authorized by their state plan to dispose of nonutilized property by transfer to another state agency; selling at public auction or sealed bid sale; and abandonment and destruction.

The SASP reports property to GSA who conducts auctions each year at the SASP. The SASP is reimbursed for transportation costs on property that has been at the agency for less than two years. The agency previously acted as GSA's agent for the sale of undonated Federal property. Per a recommendation of the Inspector General's audit report, GSA notified the manager of the state agency that the cooperative agreement for the sale of surplus Federal property had been terminated.

NO REQUIREMENTS

NO RECOMMENDATIONS



DEFENSE LOGISTICS AGENCY
DEFENSE REUTILIZATION AND MARKETING SERVICE
 74 WASHINGTON AVENUE NORTH, SUITE 6
 BATTLE CREEK, MICHIGAN 49017-3092

EPLY
 PER TO

DRMS-TSP

AUG 4 1999

MEMORANDUM FOR COMMANDER, INTERNATIONAL REGION
 COMMANDER, NATIONAL REGION
 HQ DRMS EXECUTIVE VICE PRESIDENTS
 DRMS ZONE MANAGERS
 DRMO CHIEFS

SUBJECT: State Agency Surplus Property

Although there is an existing MOU between DoD and GSA for DRMOs to process subject property (attached), the DLA (DLSC) position is that we do not accept this property for various reasons.

While DLSC is working this issue, this memorandum is to be used as DRMO authority to advise state agencies that DRMS cannot accept state owned surplus property, unless it falls into specific categories, such as requiring demilitarization, that mandates its return to DRMOs.

In the event the agencies question this decision, ask them to pursue the matter through their GSA points of contact.

DRMO questions or concerns should be addressed to Gloria Allred, DRMS-TSP, DSN 932-5952.

Stanley L. Coleman

STANLEY L. COLEMAN
 Executive Vice President
 Utility

Attachment

ATTN: *J. Hvorecky*
 3/13/00



Joseph M. Hvorecky
03/15/2000 03:44 PM

To: Robert Hamilton/2FB/R02/GSA/GOV@GSA, Susan W. Lynch/3FP-W/R03/GSA/GOV@GSA, Cheryl L. Hall/4FD/R04/GSA/GOV@GSA, Gregory M. Flores/5F/R05/GSA/GOV@GSA, Eddie A. Hodges/6FB/R06/GSA/GOV@GSA, Aaron Pryor/7P/R07/GSA/GOV@GSA, Bobby M. Givens/8F/R08/GSA/GOV@GSA, Peggy Lowndes/9FBP/R09/GSA/GOV@GSA
cc: SLow@mail.drms.dla.mil, thomas_ruckdaschel@hq.dla.mil, Martha S. Caswell/MTP/CO/GSA/GOV@GSA, Deidre Huber/FBP/CO/GSA/GOV@GSA

Subject: SASP Turn-ins to DRMOs

An August 4th, 1999, memo from Stan Coleman was brought to my attention today in conjunction with a DRMO in the Mid-Atlantic Region who was refusing a SASP permission to turn in certain Federal surplus property. The memo indicates that while there is an MOU between DOD and GSA for DRMOs to accept Federal surplus from SASPs, DRMS cannot accept "state owned surplus property," unless it falls into specific categories, such as requiring demilitarization that mandates return to DRMOs. Now, given that language, I thought it was miswritten as nondonable Federal surplus is not "state owned." I spoke with Tom Ruckdaschel today who clarified DLA's current position on this MOU (Tom also indicated he will be generating a written policy statement on this sometime in the very near future). The intent of the MOU is for nondonable DOD Federal surplus that was previously acquired by SASPs - the MOU is not meant for the SASPs to return either nondonable Federal property acquired from Civilian generators, State surplus property or supplies procured through the State program. Now, even with DOD property, it is not black and white - does the DRMO want to accept hazardous materials in poorest condition or want to serve as a proverbial dumping ground in general? The rhetorical nature of the latter question is obvious. So, on a case by case basis, DRMS can be used as an option for SASPs to dispose of certain nondonable DOD Federal surplus. Such transactions will be worked out on a case by case basis with each DRMO.

Again, news of this MOU being evaluated by GSA Central Office Policy and DLA was new to me. I know there are certain SASPs that have historically used the DRMO as a disposal mechanism for nondonable surplus (NJ SASP comes to mind). I have not heard of any problems, only encountered recently a DRMO in the Mid-Atlantic Region citing this Stan Coleman memo as a reason for denial. I thought this update would be beneficial for each region.

(Tom, if I did not capture adequately the clarification you provided me, please feel free to supply any further comment. Thanks.)



U.S. GENERAL SERVICES ADMINISTRATION
Federal Supply Service

APR 22 1999

MEMORANDUM FOR: CHIEF, PERSONAL PROPERTY MANAGEMENT BRANCH
2FBP, 2FBP-1, 3FP-W, 3FPD, 4FD, 5FBP, 6FBP, 7FMP,
7FP-8, 9FBP, 10FZP-0

Directors, State Agencies for Surplus Property

FROM:

DEIDRE HUBER *Deidre Huber*
DIRECTOR
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT:

GSA selling for SASP

To eliminate any possible misinterpretation or misrepresentation of the FPMR 44.205(h)(1), Disposal of property in the possession of a State agency, the following guideline will be followed for State Agencies for Surplus Property requesting GSA approval to either sell or have property sold, property.

In such cases, any property, to be sold, must have been warehoused a minimum of 9 months prior being sold. Any deviations must be submitted by the SASP to and approved by GSA Regional office.

Washington, DC 20406

<input type="checkbox"/>	“directly” to donees.
<input type="checkbox"/>	Work with the regional GSA office to determine why the agency’s beginning and ending inventory figures do not reasonably match the amounts which appear on GSA’s RCS55 report. Complete any needed adjustments using the next 3040 Report.
<input type="checkbox"/>	Other _____

C. FISCAL MANAGEMENT

References: FMR 102.37.55, 275-285 and Appendix B (e); Donation Handbook, Ch. 1, para. 8-9 and Ch. 2, para. 13d (5)(a)(iii-v) and 13d (5)(b)(vii).

QUESTIONS:

1. Does the state’s accounting system segregate state and Federal surplus funds?

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

2. If the state purchases vehicles from any Federal agency including GSA, does the state only use “state” funds to pay for all program costs and expenses associated with these vehicles and deposit any revenue eventually derived from these vehicles in a “state” fund and not the “Federal” surplus fund account?

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

3. If the state receives “abandoned” property from the Transportation Security Agency (TSA) and the property is given to the state in lieu of abandonment (and without the use of a SF123), does the state only use “state” funds to pay for all program costs and expenses associated with these items and deposit any revenue eventually derived from TSA property in a “state” fund and not the “Federal” surplus fund account?

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

4. Since the Law Enforcement Support Organization (LESO) Program is not part of the Federal surplus program, does the state only use “state” funds to pay for all program costs and expenses associated with LESO property and deposit any revenue eventually derived from LESO property in a “state” fund and not the “Federal” surplus fund account?

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

5. Review financial documents used by the program director. Is the data adequate for use by the director in monitoring the financial viability of the agency?

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____

Other _____

6. Using a copy of the year-end financial reports for the past two (or four) years to formulate a "Profit & Loss" statement (See Attachment C), review the viability of the agency. Has the agency operated at a loss or profit during the period since the last review?

Profit _____
 Loss _____
 Other _____

7. Does the agency have a "reserve" fund?

Yes _____
 No _____
 Other _____

Note: If the agency does not have a reserve fund, proceed to question #10.

8. Is the reserve below the maximum allowed amount per its state plan?

Yes _____
 No _____
 Other _____

9. If the reserve is above the maximum allowable amount, what actions are being taken to correct the imbalance?

Service charge levels have been reduced.
 Refunds/credits have been issued.
 A capital improvement plan was established.
 Nothing has been done.
 Other _____

10. Review the "past due" account listing. Has the agency taken appropriate steps to resolve delinquent accounts?

Yes _____
 No _____
 Other _____

11. What remedies does the agency use to collect old debts?

Issue warning letters and/pr placed phone calls to delinquent donees.
 Refer to other state office (i.e. accounting, business, finance office).
 Refer to collection agencies.
 Refer to attorney general's office.
 Donees are placed on a "payment on delivery" (POD) basis.
 Temporarily defer additional property to donee until debts are paid.
 Other _____

12. Review the SF123 documents for analysis purposes (See Attachment B). Are all service charges within the parameters of the state plan and when the charges are not within guidelines, is there reasonable justification and documentation to explain the discrepancy?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

13. Take a walk through the warehouse and vard. Are service charges clearly identified?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

14. Make arrangements to view incoming service charge payments. Do all payments readily identify the donee institution or parent organization without any personal checks, personal cashier's checks, personal money orders, personal credit cards or cash accepted?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

15. Is the agency financially self-sufficient and without any state subsidies?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

16. While reviewing the agency's financial records, has the state refrained from withdrawing funds from the Federal surplus account to off-set or reimburse the state government for deficits incurred by the Federal surplus program in past years beyond what is permitted by its state plan?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

17. Does it appear that overhead (i.e. warehouse/yard space, utilities, vehicle leasing, IT support, contract labor, etc.) is fairly and equitably assessed to the Federal program?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

REQUIREMENTS:

- Immediately notify appropriate state official(s) that Federal and state surplus funds must be segregated.
- Ensure that Federal surplus funds are only used for expenses for the Federal surplus program.
- Immediately notify the appropriate state official(s) that funds from Federal surplus cannot be used to purchase GSA Fleet vehicles. State funds must be used to purchase GSA vehicles.
- Ensure the agency's accounting office segregates revenue and expenses associated with DOD's LESO program, TSA property, and GSA Fleet vehicles from GSA's Federal Surplus Property

	Program fund.
	Obtain financial information from appropriate agency support office that can be used to monitor the financial viability of the program on a regular basis, preferably monthly. Ideally, this information would include detailed income and expense data and a monthly profit and loss statement.
	Ensure that reserve funds are maintained as stipulated in the agency's state plan.
	Improve agency's effort to monitor its "past due" account listing and collect old debts.
	Ensure service charges are within the parameters of the agency's state plan.
	Justify and document any extraordinary service charges that are above the threshold.
	Ensure that service charge payments readily identify the donee institution or parent organization.
	Evaluate opportunities to increase revenue and decrease expenses to reduce or eliminate the program's reliance on state subsidies.
	Seek specific ways to increase program revenue and decrease program expenses.
	Seek additional sources of program revenue which might be derived from expanding the agency's donee base, participating in the overseas program, serving as a property center for Federal agencies, etc.
	Seek ways to reduce program costs which might be accomplished by directly donating property when possible, lowering overhead costs, improving screening methods, automating agency functions wherever possible, etc.
	Immediately notify the appropriate state official(s) that funds from Federal surplus cannot be used to offset previous deficits from previous years and that funds should only be used to cover expenses associated with the Federal surplus property program.
	Ensure that overhead expenses are fairly allocated to the Federal surplus program.
	Other

RECOMMENDATIONS:

	None
	Formalize the agency's collection procedures to collect past monies due.
	Increase efforts to collect monies owed from delinquent donees.
	Analyze the service charge parameters of the state plan to determine if the plan should be altered to provide the agency with greater flexibility when assessing service charges.
	Evaluate opportunities to increase revenue and decrease expenses to reduce or eliminate the program's reliance on state subsidies.
	Seek specific ways to increase program revenue and decrease program expenses.
	Seek additional sources of program revenue which might be derived from expanding the agency's donee base, participating in the overseas program, serving as a property center for Federal agencies, etc.
	Seek ways to reduce program costs which might be accomplished by directly donating property when possible, lowering overhead costs, improving screening methods, automating agency functions wherever possible, etc.
	Other

D. COMPLIANCE

References: FMR 102-37.205, 220, 225, 230, 235, 435-505 and Appendix B (d, f, j); Donation Handbook, Ch. 2, para. 9-10, 13b and 13d (5)(a)(ix)(a, b)

FISCAL ACCOUNTING SYSTEM

HANDBOOK:

Fiscal accounting system. Ensure that the accounting system complies with the State's plan of operation (normally a double entry accounting system is required) and all supporting activities, billings, disbursements, etc., are conducted in an acceptable manner.

OUTLINE FOR CONDUCTING REVIEW:

1. Arrange to audit payments received during review.
2. Check on accounting system used. Does it comply with state plan?
3. Review cash receipts and cash disbursements procedures.
4. Request copy of budget.
5. Request copy of aging report of accounts receivable.
6. Review method of collection for bad debts.
7. Request listing of accounts payable to check for unauthorized purchases.
8. Where is capital reserve invested?
9. Does SASP retain interest from investments?
10. If agency has both state and Federal surplus are funds commingled?

SAMPLE WRITEUP:

A. (3) FISCAL ACCOUNTING SYSTEM

The state agency is a service organization whose function is to acquire and distribute Federal surplus property. The agency does not receive any appropriated funds from either Federal or state sources. The total cost of operation is absorbed from service charges on property donated.

Cash receipts received by the agency during the biennial review were audited to ensure that only service charges in the form of warrants, checks, or other official instruments drawn or issued by an authorized official of an eligible institution were accepted (Exhibit 4). There is an appropriate separation of duties for handling receipts within the office.

The Schedule of Aging of Accounts Receivable for the period ending June 21, 1991, (Enclosure 5) shows the following balances:

Current.....	\$189,509
90 Days Past Due.....	\$ 4,423
120 Days Past Due.....	\$ 4,171
150 Days Past Due:.....	\$ 10,421
Total.....	\$208,524

Invoicing is performed on a daily basis with payment required in 30 days. Letters are written to past due accounts at the end of 60, 90, and 120 days. Past due accounts are flagged so that additional property will not be donated until arrangements have been made to pay. Exhibit 6 is a complete listing of the accounts receivable as of June 28, 1991. Past due balances have been reduced tremendously in the past year.

The accounts payable listings for May, June, and July 1991 were reviewed for unauthorized purchases (Exhibit 7). No problems were found.

NO REQUIREMENTS

NO RECOMMENDATIONS

Checks received by the State Agency the week before/during the review

Donee Number		Organization		Type of Check		Amount
Number of Checks			Total Amount Collected		\$	-

FINANCING AND SERVICE CHARGES

HANDBOOK:

Financing and service charge. Determine if service charges are being assessed in accordance with the State plan of operation and used only for the promotion and extension of the donation program.

OUTLINE FOR CONDUCTING REVIEW:

1. What percentage does state plan allow for service charges?
2. Check percentage of service charge to acquisition cost on random documents for past two years.
3. Determine if rehabilitation charges or extraordinary freight expenses are being broken out on SASP's copy of distribution document.
4. Calculate overall percentage of service charge to acquisition cost on distribution documents pulled.
5. Determine if service charges on similar items are consistent?
6. Who is responsible for setting service charges? Are guidelines provided? What kind of training have they received?
7. Who has authority to negotiate with donees on service charges?
8. Is there a minimum or maximum service charge?
9. Are donee service charges being used for anything other than operation of state agencies?
10. Write up only actual findings that are out of line enough to justify mentioning.
11. Are service charges reduced when direct pickup is made?
12. Are service charges actually marked on items?

SAMPLE WRITEUP:

A. (5) FINANCING AND SERVICE CHARGES

The State Plan of Operation permits the following percentages to be used to calculate service charges:

<u>Percentage of Acquisition Cost</u>	<u>Acquisition Cost or Fair Market Value</u>
0 - 50%	Up to - 1,000
0 - 30%	1,001 - 5,000
0 - 25%	5,001 - 10,000
0 - 15%	10,001 - 20,000
0 - 10%	20,001 - 50,000
0 - 5%	50,001 - Up

Service charges are reduced by 50 percent for direct pickup.

More than 100 distribution documents were pulled at random and percentage of service charge to original acquisition cost calculated. The overall service charge was 10.86 percent.

Three distribution documents were found where the service charge exceeded the percentage allowed by the state plan when using original acquisition cost. The State Plan allows for use of fair market value but is generally not used by state agency. Also rehabilitation and extraordinary freight charges are not being broken out on distribution documents, however state agency management stated these charges were taken into consideration when setting service charges.

State Serial No. 1-2723-3, a safe issued to St. Francis County, original acquisition cost \$199, service charge \$190, percentage 95.47;

State Serial No. 1-12730-7, distribution document 1293, a safe issued to College original acquisition cost \$993, service charge \$600, percentage 60.42;

Service charges are set by warehouse manager and his assistant using the guideline set forth in the State Plan of Operation. The only individuals who may reduce service charges are the manager, assistant manager, and the supply manager. All reductions must be documented.

NO REQUIREMENTS

NO RECOMMENDATIONS

<u>INVOICE NUMBER</u>	<u>DONEE NAME</u>	<u>OAC/SC</u>	<u>AUTHORIZED SIGNATURE</u>	<u>COMMENTS</u>
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FISCAL MANAGEMENT

HANDBOOK:

Fiscal management. This review requirement pertains to the financial solvency of the state agency. Financial documents should be analyzed to determine if service charges are adequate to recover operating costs or if the state has to rely on state funds, reserves or other subsidies to offset its losses. Check whether service charges are periodically reviewed for possible change. Also, determine if the state is incurring unnecessary costs by keeping too much property in inventory.

OUTLINE FOR CONDUCTING REVIEW:

1. Is SASP receiving profit and loss statements on a regular basis? Check P & L statements for past two years and include copies as exhibit.
2. Check total income from service charges for past two years.
3. Check cash balance at present time as well as total accounts receivable and total accounts payable.
4. Does level of inventory cause the SASP financial problems?
5. Check total of Retransfers in and out during for past two years.
6. Chart rise or fall in inventory level for past years.
7. What percentage of property received is donated?
8. What is total receipts from auctions during past two year?
9. Does SASP receive any subsidies or does it operate solely on service charges?
10. Is SASP participating in fixed price sales?
11. Are sales of fixed price vehicles limited to public agencies?
12. How many vehicles have been handled in the past two years and what kind of profit has been made on the vehicles?

SAMPLE WRITEUP:

B. (7) FISCAL MANAGEMENT

Financial statements show the following profit and (loss) (Exhibit 10).

FY 1988	\$
FY 1989	\$
FY 1990	\$

A financial statement for the eleven months ended May 31, 1991, (Exhibit 11) shows a net loss of \$. However, the SASP lists the following one-time expenses paid during this period of time:

Forklift Repair.....	\$
Environmental Cleanup:.....	\$
Bill for Inventory.....	\$

The SASP was also closed for two weeks for inventory.

Cash and investments are maintained in one account which serve as both a checking and investment account. Balances of cash and investments were as follows:

June 30, 1988.....	\$
June 30, 1989.....	\$
June 30, 1990.....	\$

The agency's investments consist of overnight repurchase agreements. Their deposits at June 30, 1990, 1989, and 1988, were entirely covered by Federal depository insurance or by collateral securities according to the State Auditor's Report.

In early 1990 employees reported to the new management of the agency that various items including potentially hazardous materials had been buried or dumped on the grounds. As the result of these reports, the State and the SASP initiated various actions to ensure compliance with Federal and State laws on hazardous materials.

NO REQUIREMENTS

NO RECOMMENDATIONS

	Program fund.
	Obtain financial information from appropriate agency support office that can be used to monitor the financial viability of the program on a regular basis, preferably monthly. Ideally, this information would include detailed income and expense data and a monthly profit and loss statement.
	Ensure that reserve funds are maintained as stipulated in the agency's state plan.
	Improve agency's effort to monitor its "past due" account listing and collect old debts.
	Ensure service charges are within the parameters of the agency's state plan.
	Justify and document any extraordinary service charges that are above the threshold.
	Ensure that service charge payments readily identify the donee institution or parent organization.
	Evaluate opportunities to increase revenue and decrease expenses to reduce or eliminate the program's reliance on state subsidies.
	Seek specific ways to increase program revenue and decrease program expenses.
	Seek additional sources of program revenue which might be derived from expanding the agency's donee base, participating in the overseas program, serving as a property center for Federal agencies, etc.
	Seek ways to reduce program costs which might be accomplished by directly donating property when possible, lowering overhead costs, improving screening methods, automating agency functions wherever possible, etc.
	Immediately notify the appropriate state official(s) that funds from Federal surplus cannot be used to offset previous deficits from previous years and that funds should only be used to cover expenses associated with the Federal surplus property program.
	Ensure that overhead expenses are fairly allocated to the Federal surplus program.
	Other

RECOMMENDATIONS:

	None
	Formalize the agency's collection procedures to collect past monies due.
	Increase efforts to collect monies owed from delinquent donees.
	Analyze the service charge parameters of the state plan to determine if the plan should be altered to provide the agency with greater flexibility when assessing service charges.
	Evaluate opportunities to increase revenue and decrease expenses to reduce or eliminate the program's reliance on state subsidies.
	Seek specific ways to increase program revenue and decrease program expenses.
	Seek additional sources of program revenue which might be derived from expanding the agency's donee base, participating in the overseas program, serving as a property center for Federal agencies, etc.
	Seek ways to reduce program costs which might be accomplished by directly donating property when possible, lowering overhead costs, improving screening methods, automating agency functions wherever possible, etc.
	Other

D. COMPLIANCE

References: FMR 102-37.205, 220, 225, 230, 235, 435-505 and Appendix B (d, f, j); Donation Handbook, Ch. 2, para. 9-10, 13b and 13d (5)(a)(ix)(a, b)

Note: The review team may generally initiate its evaluation of this review element using two slightly different strategies. The reviewer may use the SF123 spreadsheet to identify compliance items and then research whether or not compliance was properly performed on these items per the agency's state plan. Similarly, the review team may choose to simply review a sampling of the agency's compliance surveys/reports which were completed during the review period to determine if compliance was properly performed per the agency's state plan.

QUESTIONS:

1. Is the agency able to establish the beginning of a restriction period in a manner other than simply assuming the property is placed into use by a donee immediately upon receipt and by the date which appears on a signed distribution document?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

2. Does the agency properly establish the actual in-use date based on the date provided by the donee on a utilization or compliance survey to determine and document the beginning of the restriction period for donated property especially for major items including those with an a/c above \$5K and items which are "directly" donated? Provide an explanation for any answer chosen below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

3. Does the agency perform compliance (survey or visit) before the end of the restriction period to verify that the property has been properly utilized during the entire restriction period especially for major items including those with an a/c above \$5K and items which are "directly" donated? Provide an explanation for any answer chosen below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

4. How does the agency perform compliance checks?

<input type="checkbox"/>	Survey forms sent via regular mail.
<input type="checkbox"/>	On-site visits.
<input type="checkbox"/>	Survey forms sent via email.
<input type="checkbox"/>	Phone surveys.
<input type="checkbox"/>	Other

5. What appropriate actions are taken when problems are revealed?

<input type="checkbox"/>	On-site compliance visit scheduled.
<input type="checkbox"/>	Donee is instructed to return property.
<input type="checkbox"/>	GSA is immediately notified.
<input type="checkbox"/>	Other

6. Are there procedures in place to ensure donees only acquire items related to the purpose(s) for which the donee was determined eligible? Provide an explanation for any answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

7. List the number of items that were reviewed to ensure compliance was performed:

<input type="checkbox"/>	Motor vehicles
<input type="checkbox"/>	Vessels Over 50'
<input type="checkbox"/>	Aircraft
<input type="checkbox"/>	Firearms
<input type="checkbox"/>	Items not listed above with an a/c \$5K or more
<input type="checkbox"/>	Items not listed above with an a/c less than \$5K

8. Was compliance performed properly on the above items?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

Note: If the above question was answered "yes", proceed to question 10.

9. List the number of discrepancies:

Comments and/problems encountered:

Note: Suspected compliance issues shall be discussed by the review team. The review team leader shall immediately notify the GSA COE by email and/or phone when significant issues are discovered.

10. Does the agency have a system to monitor items that have perpetual restrictions or special restrictions (i.e. items with an a/c over 5K, demil, aircraft, vessels over 50' and firearms)?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

11. If the agency has donees with aircraft under restriction, vessels over 50' or firearms, has the agency properly performed all required compliance?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

12. Contact the appropriate PPM Center Of Expertise (COE) for eligibility and compliance issues. Has the agency been able to avoid any new compliance cases since the last review?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

13. Discuss with the COE whether the agency has been able to avoid any new compliance cases created as a result of apparent poor judgment by its management or employees?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

14. Has the agency worked satisfactorily with GSA to resolve any open cases?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

15. Are compliance items clearly marked on distribution documents as to make donees aware of any additional restrictions placed on the item(s)?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

16. Are "Do You Know" posters listing terms, conditions and restrictions displayed?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

17. What, if any, special precautions are taken to notify donees of the terms and conditions and compliance requirements for property that is donated?

<input type="checkbox"/>	None	
<input type="checkbox"/>	Warehouseman provides verbal reminder of all appropriate terms, conditions and restrictions.	
<input type="checkbox"/>	Certification/Terms of Agreement Form included in eligibility packet.	
<input type="checkbox"/>	Donees are required to sign the terms and conditions section of the distribution document.	
<input type="checkbox"/>	Copy of terms, conditions and restrictions is included with each invoice handed or mailed to each donee.	
<input type="checkbox"/>	Other	

18. Is the agency adequately performing its compliance responsibilities?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

REQUIREMENTS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Devise a method to establish the date when donated property is initially placed into use by a donee so the appropriate restriction period can be determined.
<input type="checkbox"/>	Update the compliance section of the state plan to include the agency's methods used to establish the "in-use" date of property received by donees and how compliance will be performed before the end of the appropriate restriction period.

	If the agency wishes to assume that all donees place property into use immediately upon receipt, then the agency must alter its distribution document to clearly communicate this assumption and place the responsibility on the donee to notify the state agency (in writing) of any exception(s) when the donee is unable to place the property into use immediately upon receipt.
	Immediately notify GSA when initially encountering potential and apparent noncompliance issues.
	Complete follow-up action on any compliance discrepancies noted in Questions 8 & 9.
	Ensure all distribution documents are properly executed and signed in a timely manner by an authorized representative including items which are directly donated.
	Ensure distribution documents that contain items with special restrictions (i.e. items with an a/c of \$5K or more, motor vehicles, aircraft, vessels over 50', perpetually restricted items, etc.) are properly annotated to remind the donee of such restrictions.
	Perform and document compliance reviews of all items with an a/c of \$5K or more.
	Perform and document annual compliance reviews on all restricted aircraft, firearms and vessels over 50'.
	Perform at least one on-site visit during the applicable 5-year restriction period to inspect and verify the use of non-combat aircraft and vessels over 50'.
	Perform annual compliance checks on all aircraft and firearms under restriction.
	Create and implement a plan to address and reduce the number of compliance cases which result from poor judgment by its management and employees.
	Exercise better judgment when deciding which compliance difficulties/issues should be forwarded to GSA for assistance.
	Exercise better judgment while only donating property items to donees that can <i>reasonably</i> justify an <i>appropriate use or need</i> for the property.
	Send employee(s) responsible for <i>compliance</i> to formal GSA eligibility and compliance training.
	Devote additional resources to ensure that compliance is performed within the parameters of the agency's state plan.
	Place "Do You Know" posters in prominent warehouse (if applicable) and office locations.
	Perform compliance in accordance with the provisions of the agency's state plan.
	Update the state plan to clarify the number and frequency of compliance checks to be performed.
	Other

RECOMMENDATIONS:

	None
	Alter the state plan to allow the state agency greater flexibility in performing compliance.
	Revise the agency's state plan to include additional details regarding the establishment of the "in-use" date for property received and how compliance will be performed during and/or just before the end of the appropriate restriction period.
	Send a survey to donees seeking the date property is first placed into use so that the SASP can consistently and efficiently determine the beginning of the restriction period.
	Create a utilization or "in-use" survey to ascertain whether property has been placed into use and the actual date, so that the agency can establish the beginning of the restriction period. It is suggested that the state agency complete this action within 120 days after the donee initially receives the property.
	For compliance items, the state agency may submit a secondary "end-use" survey to donees near the end of the restriction period. It is suggested that the state agency complete this action at least 30

	days before the end of the restriction period.
	Create and maintain a spreadsheet or database to easily identify and track compliance items (including items which carry perpetual or special restrictions) as well as the agency's efforts to perform compliance. <i>Ideally, the following information should be collected: Donee name/I.D. number, invoice/distribution document number, item description, a/c, date donated, date placed into use, applicable restriction period, date compliance was performed, the manner in which compliance was performed (mail survey, phone survey, on-site check, etc.), results of check, any additional notes, etc.</i>
	Create and maintain a log of items approved for cannibalization or secondary use.
	For direct transfers, a copy of the "Do You Know" poster can be emailed or mailed along with the invoice.
	While it may be economically feasible to complete utilization surveys through the mail, it is suggested that the agency perform on-site checks whenever possible.
	Consider using email en lieu of mail surveys when performing compliance unless the agency requires a signature.
	All distribution documents should be stamped or annotated with any additional or extended restrictions when applicable.
	All distribution documents could be stamped with a note to remind donees that the period of restriction only begins after the property is placed into use.
	Other

E. CUSTOMER RELATIONSHIPS

References: FMR 102-37.60, 130, 205, 260, 265 and Appendix B (h, k); Donation Handbook, Ch. 2, para. 13d (5)(a)(viii), 13d (5)(b)(ii), 13d (5)(b)(vi) and 13d (5)(b)(iii-iv).

QUESTIONS:

1. The review team shall make a concerted effort to complete at least 3-5 donee visits prior to, during, or after the review. Also, the team shall make a concerted effort to interview approximately 5-10 donees. If the state agency maintains a warehouse facility, consideration should be given to interviewing donees who visit the warehouse during the review. If the agency does not have a warehouse, consideration should be given to interviewing donees over the phone.

List the number of donee visits completed by the review team:

List the donee organizations which were visited:

List the number if donee organizations which were interviewed at the facility:

List the donee organizations which were interviewed at the facility:

List the number if donee organizations which were interviewed over the phone:

COMPLIANCE AND UTILIZATION REVIEWS

HANDBOOK:

Compliance and utilization reviews. Review program files and records to determine if utilization surveys are being made to determine if donees are properly using and complying with the terms and conditions on donated property. Check the frequency of these surveys and determine the number of donees visited annually.

OUTLINE FOR CONDUCTING REVIEW:

1. Does state plan of operation require actual visit, permit written compliance and utilization reviews, or a combination of both?
2. How many actual visits were made?
3. When are written compliance surveys made (sample form attached)?
4. How are surveys handled when they are returned to SASP?
5. Review list of combat/noncombat aircraft, steamboat dredges, etc. that are held in perpetuity. Ask for copies of compliance visits.
6. Request copies of compliance report on property in perpetuity be mailed to GSA annually.
7. Review listing of all compliance cases. Include listing as an exhibit in report.
8. Are compliance items clearly marked on distribution documents?

SAMPLE WRITEUP:

A. (10) COMPLIANCE AND UTILIZATION

At least once during the period of restriction the State Agency conducts a Compliance and Utilization Review of any item of property having an unit acquisition cost of \$5,000 or more; any passenger vehicle; and items on which special handling or use limitations have been imposed. Reviews are conducted by physical inspection or written report. Written reports are prepared on all utilization visits.

The state agency is currently sending out utilization reports every six months. Utilization reports are reviewed and when required, forwarded to GSA.

Participating donees are being verbally educated about the donation program by state agency employees who have also become very knowledgeable about the program during the past year.

The agency lists 16 aircraft in the region with Federal restrictions, 15 noncombat and 1 combat. (Exhibit 8). Compliance and utilizations reports are made annually on these aircraft.

NO REQUIREMENTS

NO RECOMMENDATIONS

<u>DONEE NAME</u>	<u>INVOICE # - DIST. DOC. #</u>	<u>ITEM</u>	<u>ACQ COST</u>	<u>DATE DONATED</u>	<u>DATE PLACED INTO SERVICE</u>
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RETURN OF UNUSED DONABLE PROPERTY

HANDBOOK:

Return of unused donated property. Examine procedures for handling the return of donated property.

OUTLINE FOR CONDUCTING REVIEW:

1. What percentage of property is returned?
2. What is the policy for refund of service charge?
3. Who must approve return of property?

SAMPLE WRITEUP:

Donees are given a full refund on property returned within 30 days. One-half credit is given if returned within 31 to 60 days. No credit will be given after 60 days of issue or if original service charge was \$4.99 or less per line item unless approved by management.

NO REQUIREMENTS

NO RECOMMENDATIONS

TERMS AND CONDITIONS

HANDBOOK:

Terms and conditions Review methods used to remind donees of the terms and conditions placed on donated property.

OUTLINE FOR CONDUCTING REVIEW:

1. Check terms and conditions currently on back of distribution document.
2. Check for posted signs regarding terms and conditions in office, warehouse, or as enclosures with catalogs, invoices, etc.
3. Check distribution documents to see if special processing codes are being stamped on the donee and SASP copies.
4. Authorized signatures also may be checked at this time. Signatures on at least 35 distribution documents should be checked against donee authorizations.
5. Recommend use of rubber stamp, "GSA Compliance Item" for items with acquisition cost of \$5,000 or more.
6. Require that compliance items be on separate distribution document.
7. Recommend that bright decals be used on property stating that it is restricted, Federal, etc.
8. Form letter should be used for cannibalization authorized by SASP after property is in possession of donee.
9. Randomly check distribution documents against donee authorization to see if individuals signing for property are authorized.
10. Does SASP revise acquisition cost when necessary?
11. Are hazardous materials so noted on distribution documents?

SAMPLE WRITEUP:

A. (6) TERMS AND CONDITIONS

Terms and conditions governing the transfer of government surplus property to public agencies and to nonprofit health and educational institutions and organizations are printed in detail on the reverse side of the distribution document in compliance with the state plan.

More than 100 distribution documents were checked at random for special processing codes. The following documents did not contained correct statements:

XXXXXXXXXX University	9/21/90	#08439	Paint
XXXXXXXXXX University	10/15/90	#00126	Sleeping bag
XXXXXXXXXX University	11/16/90	#00518	Parachute
XXXXX University	1/3/91	#00947	Parachute
Dept. XXXXXXXXXXXXXXX	5/24/91	#02483	Paint

More than 100 distribution documents were checked at random for authorized signatures. The following unauthorized signatures were found:

University	9/24/90	#08469	Unauthorized signature
University	2/13/90	#05914	No signature
Div. of XXXXXXXXXXXXX	3/16/90	#06396	Unauthorized signature
Div. of XXXXXXXXXXXXX	3/19/90	#06411	Unauthorized signature (authorized by telephone only)

	days before the end of the restriction period.
	Create and maintain a spreadsheet or database to easily identify and track compliance items (including items which carry perpetual or special restrictions) as well as the agency's efforts to perform compliance. <i>Ideally, the following information should be collected: Donee name/I.D. number, invoice/distribution document number, item description, a/c, date donated, date placed into use, applicable restriction period, date compliance was performed, the manner in which compliance was performed (mail survey, phone survey, on-site check, etc.), results of check, any additional notes, etc.</i>
	Create and maintain a log of items approved for cannibalization or secondary use.
	For direct transfers, a copy of the "Do You Know" poster can be emailed or mailed along with the invoice.
	While it may be economically feasible to complete utilization surveys through the mail, it is suggested that the agency perform on-site checks whenever possible.
	Consider using email en lieu of mail surveys when performing compliance unless the agency requires a signature.
	All distribution documents should be stamped or annotated with any additional or extended restrictions when applicable.
	All distribution documents could be stamped with a note to remind donees that the period of restriction only begins after the property is placed into use.
	Other

E. CUSTOMER RELATIONSHIPS

References: FMR 102-37.60, 130, 205, 260, 265 and Appendix B (h, k); Donation Handbook, Ch. 2, para. 13d (5)(a)(viii), 13d (5)(b)(ii), 13d (5)(b)(vi) and 13d (5)(b)(iii-iv).

QUESTIONS:

1. The review team shall make a concerted effort to complete at least 3-5 donee visits prior to, during, or after the review. Also, the team shall make a concerted effort to interview approximately 5-10 donees. If the state agency maintains a warehouse facility, consideration should be given to interviewing donees who visit the warehouse during the review. If the agency does not have a warehouse, consideration should be given to interviewing donees over the phone.

List the number of donee visits completed by the review team:

List the donee organizations which were visited:

List the number if donee organizations which were interviewed at the facility:

List the donee organizations which were interviewed at the facility:

List the number if donee organizations which were interviewed over the phone:

List the donee organizations which were interviewed over the phone:

2. Are donees generally satisfied with the program and agency personnel?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

3. Are donees aware of the restrictions placed upon donated property and the consequences for misuse?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

4. List any donee organization(s) which revealed significant findings and/or problems (i.e. property not being properly utilized, complaints about GSAXcess, unreasonable service charges, discourteous treatment, unresponsiveness to customer concerns, lack of available property, discriminatory behavior, etc.):

Donee(s) interviewed:

Note: Suspected compliance issues shall be discussed by the review team. The review team leader shall immediately notify the COE in writing by email and by phone when significant issues are discovered.

5. Has the state agency maintained positive working relationships with the PPM offices, other SASPs, and military/civilian holding agencies?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

6. Record the following figures:

<input type="checkbox"/>	Approx. number of eligible donees on file.
<input type="checkbox"/>	Approx. number of donees actively participating or those who have received property within the past year.

7. After assembling and reviewing the 3040 spreadsheet, determine the percentages of property donated to the following (See Attachment D):

<input type="checkbox"/>	Nonprofits
<input type="checkbox"/>	Public Agencies

8. If the above numbers reflect an inequity, has the agency made a concerted effort to correct the imbalance? Provide an explanation for any answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

9. What marketing efforts does the SASP utilize to retain and attract new customers?

<input type="checkbox"/>	Flyers	
<input type="checkbox"/>	Newsletters	
<input type="checkbox"/>	Website	
<input type="checkbox"/>	Other social media	
<input type="checkbox"/>	Email or other electronic notification	
<input type="checkbox"/>	TV, radio or newspaper	
<input type="checkbox"/>	Conferences and seminars	
<input type="checkbox"/>	Donee advisory body	
<input type="checkbox"/>	Other	

10. If the agency utilizes the internet to market its program (i.e. website, emails, Twitter, Facebook, etc.), briefly review such content. Is the information appropriate, correct and current?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

11. If required by its state plan, is an advisory body utilized?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

12. Is the agency actively marketing its program to potential donees or existing donees, especially those not participating?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

13. Is the agency sufficiently serving its current and potential customer base whether the agency has a warehouse facility or the agency uses a "direct donation" business model?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

14. Is the agency's overall effort to promote the program and fairly distribute property effective?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

REQUIREMENTS:

<input type="checkbox"/>	None	
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	Create and implement a plan to improve donee awareness of the restrictions placed upon property and the consequences for misuse.
	Increase effort to promote the surplus program to non-profit donee types including potential new applicants and those already eligible, but not participating.
	Develop a method, tool or report to monitor the dispersion of property between nonprofits and public agencies.
	Increase awareness of available property among eligible non-profits.
	Update the agency's website to ensure program information is current.
	Establish and utilize an advisory body as required by the agency's state plan.
	Adhere to all state plan provisions that ensure fair and equitable distribution of surplus.
	Other

RECOMMENDATIONS:

	None
	Develop a formal marketing plan to increase the number of participating donees especially nonprofits.
	Create a greater awareness of available property among donee types who have historically received a lesser share of donated property.
	Market the program to donees already eligible, but not participating.
	Implement greater use of technology via the internet (website, emails, Twitter, Face book, etc.) to increase awareness of the donation program especially among non-profits.
	Establish a website to promote the program and to provide general program information, obtain an eligibility application, display items in inventory, emphasize compliance requirements, advertise success stories, etc.
	Update eligibility application to include email donee email addresses for use in marketing.
	Issue promotional material on a scheduled basis including newsletters, coupons and special notices.
	Conduct open houses and local or regional meetings to promote the SASP.
	Set up a historical file to record promotions utilized.
	Create a customer survey to be completed by donees exiting the warehouse to obtain basic customer feedback for improving the agency's operation.
	Consider participating in county and state fairs to promote the program to potentially eligible public agencies and nonprofits.
	Survey nonprofits to determine how the agency may better serve them.
	Encourage donees to submit prioritized want lists and circulate among staff screeners. Special requests can be referred to GSA.
	Encourage donees to screen property using GSAXcess.
	Distribute listings of property to homeless and needy providers to stimulate the amount of property donated to such activities.
	Market to targeted donee types, particularly nonprofits, as opposed to conducting mass mailings.
	Encourage direct pickups by donees.
	Stress the importance of "selective" screening to all agency screeners. This may be accomplished by requiring all screeners to regularly review donee want lists.
	Seek potential cooperative agreements with other state agencies to service donees in remote parts of the state.
	Work with GSA to initiate a cooperative agreement to store excess for Federal agencies.

<input type="checkbox"/>	Improve attendance at regional, zonal and national PPM conferences to keep abreast of current issues, discuss problems and share ideas for improvement.
<input type="checkbox"/>	Other <input type="text"/>

F. ELIGIBILITY

References: FMR 102-37.380-430 and Appendix B (i) and C; Donation Handbook, Ch. 1, para. 5; Ch. 2, para 13d (5)(a)(vi) and 13d (5)(b)(ii).

QUESTIONS:

1. The review team shall make a concerted effort to review approximately 50 eligibility applications. Specifically, the team should concentrate on selecting the files of donees who have received property, especially those which are most active. This determination can be made by seeking statistical data from the SASP and then choosing the names of the donees the team wishes to review.

Briefly describe the thought process used by the review team when selecting which eligibility files to review:

2. List the number of eligibility files reviewed (See Attachment E):

<input type="checkbox"/>	Nonprofits
<input type="checkbox"/>	Public Agencies
<input type="checkbox"/>	Quasi-Public Agencies
<input type="checkbox"/>	Service Educational Activities (SEAs)
<input type="checkbox"/>	Small Business Administration Activities (SBAs)
<input type="checkbox"/>	Other <input type="text"/>
<input type="checkbox"/>	Total number of files reviewed

3. List the number of files that have any documentation that is insufficient or not present as annotated on Attachment E:

4. Is the agency able to readily determine which files have annual licenses, accreditation, approvals, grants, etc. that expire in any given month? Provide an explanation for any answer chosen below.

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

5. Is the agency able to easily identify and separate active files (those currently participating or with property under restriction) from inactive files?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

DONEE RELATIONSHIPS

HANDBOOK:

Donee relationships. Survey visits should be made by the reviewer at selected donee institutions to evaluate the effectiveness of the state agency's program promotion, and to ascertain whether donated property is being used in accordance with the terms and conditions of the donation document. The number of such visits will be contingent on available time and apparent need. State agency report forms should be used to document findings during these visits and may be supplemented as required. State agency correspondence should also be reviewed to see how donee complaints are handled.

OUTLINE FOR CONDUCTING REVIEW:

1. Invite SASP director or his representative to accompany GSA on donee visits.
2. Request written permission from Regional legal counsel for SASP director or representative to accompany you in government vehicle during donee visits. Provide legal counsel with a letter for their concurrence.
3. Work out schedule that allows maximum number of donees to be visited.
4. Ask SASP director if he has specific donees he would like to include in visits.
5. Request SASP personnel to make appointments with donees.
6. Make surprise visit if deemed necessary.
7. Use sample form provided to record information on donee.
8. Take pictures of property seen during visit.
9. Review terms and conditions on property with donee.
10. See if donee has special need for property GSA may be able to locate for them.
11. Give donee business card and tell him he may contact GSA if he has problems.

STATE AGENCY FOR SURPLUS PROPERTY
BIENNIAL REVIEW

AREAS OF CONCERN

G. BUSINESS RELATIONSHIPS (DONEE AND HOLDING AGENCY RELATIONSHIPS)

References: Donation Handbook, Ch.2, para.13d(5)(b)(iii-iv).

1. If time permits, complete visits to donees before or during the review week. If unable to accomplish this, interview 10-15 donees which visit the facility during the review. Attempt to obtain the donee's perception of the Federal surplus property program and the agency's operation....
Are the donees generally satisfied with the SASP, any concerns, questions, problems, complaints, recommendations to improve the program? _____
Are the donees aware of the restrictions placed upon donated property and the consequences for misuse? _____

2. Utilizing the experiences of the review team...
Has the SASP generally maintained positive working relationships with the regional staff, other SASPs, and military/civilian holding agencies, particularly during screenings? _____
Does the agency communicate well with holding agencies and remove property in a timely manner? _____
Is the agency in good standing with the regional DRMOs? _____

3. Are there any problems which need to be addressed at the regional office level or above? _____

HOLDING AGENCY RELATIONSHIPS

HANDBOOK:

Holding agency relationships. Check with local area utilization officers and visit at least two major generating activities to determine the effectiveness of state agency activities. Brief statements of findings relative to screening effectiveness, timeliness of property pickups, and general attitudes should be included in the narrative portion of the review report.

OUTLINE FOR CONDUCTING REVIEW:

1. Visit at least two holding agencies and request information regarding their relationship with the SASP.
2. Include both civilian and military agencies.
3. Send letters of inquiry to several holding agencies (see sample letter)

SAMPLE WRITEUP:

GSA and SASP personnel visited the Defense Reutilization Marketing Office on August 7. The DRMO and his assistant were present and explained how single cycle screening would be administered at their facility. They also confirmed their excellent working relationship with the State Agency.

Other holding agencies contacted confirmed a good working relationship with the agency. Air Force Base stated that the agency was sometimes late with their pick ups.

NO REQUIREMENTS

NO RECOMMENDATIONS

FAIR AND EQUITABLE DISTRIBUTION

HANDBOOK:

Fair and equitable distribution. Evaluate the effectiveness of the state agency's efforts to ensure fair and equitable distribution of property based on the relative needs and resources of its donees. Determine if desirable items of property are fairly distributed among all categories of donees. Examine donee records to see if they indicate a preponderance of distribution to particular donees and regions within the state.

OUTLINE FOR CONDUCTING REVIEW:

1. Ask director and/or SASP employees how they achieve fair and equitable distribution.
2. Request number of catalogs mailed and how often are they mailed.
3. Does SASP limit quantities on property?
4. Check SASPs current entitlement percentage as well as trend for several years.
5. Is want list used by SASP?
6. Check 3040 report for percentage of property donated to various types of activities.
7. How are remote parts of the state served.
8. How many active donees does the SASP have?
9. Check donations to organizations providing assistance to the homeless during the past two years.
10. If there are Black Colleges in the state, are they being served by the state agency?

SAMPLE WRITEUP:

The State Plan of Operation requires that in order to provide fair and equitable distribution, the SASP will distribute property according to (1) relative needs, (2) relative resources and (3) relative ability to utilize property.

The State Plan also provides for the agency to consult with the following groups for assistance in evaluation of distribution:

State Department of lower and higher education
Municipal League of Counties
State Municipal League
State Department of Health
State Regional Planning Commissions
State Purchasing and Budget office

Special consideration is given to donees who actively screen and locate property, while still maintaining fair and equitable distribution.

Donee files and invoice summaries are reviewed at least annually to detect excessive donations, stockpiling, or failure to use program to good advantage.

A catalog of property available is printed and mailed periodically. Want cards are used by the agency and will be computerized in the future. Quantities are limited when necessary, especially on highly desirable property. Management and employees are aware of the need for fair and equitable distribution.

NO REQUIREMENTS

NO RECOMMENDATIONS

STATE AGENCY MONTHLY DONATION
REPORT OF SURPLUS PERSONAL PROPERTY

DATE (Month and year)

FORM APPROVED OMB NO.

29-R0217

TO

FROM (Give name of Reporting State Agency)

DESCRIPTION OF ITEMS

ACQUISITION COST (Other costs)

SUBTOTAL

TOTAL

A. BEGINNING INVENTORY

B. PROPERTY RECEIVED

1. From Federal Agencies

\$

2. From other State Agencies

\$

3. From overseas

\$

4. Other receipts

\$

5. TOTAL

C. PROPERTY DONATED

1. PUBLIC
AGENCIES

a. Conservation

\$

b. Economic development

\$

c. Education

\$

d. Parks and recreation

\$

e. Public health

\$

f. Public safety

\$

g. Two or more of the above

\$

h. Other

\$

i. TOTAL OF PART 1

\$

2. NONPROFIT
INSTITUTIONS
OR
ORGANIZATIONS

a. Education

\$

b. Public health

\$

c. TOTAL OF PART 2

\$

GRAND TOTAL OF PARTS 1 AND 2

\$

D. OTHER DISTRIBUTION

1. Transfer to other State Agencies

\$

2. Return to Federal Agency

\$

3. Sold

\$

4. Abandoned or destroyed

\$

5. Other adjustments

\$

6. TOTAL

\$

E. ENDING INVENTORY

\$

PROPOSED

STATE AGENCY MONTHLY DONATION
REPORT OF SURPLUS PERSONAL PROPERTY

DATE (Month and year) | FORM APPROVED OMB NO.

29-R0247

FROM (Give name of Reporting State Agency)

Description of Items	ACQUISITION COST (omit cents)		
	SUBTOTAL	TOTAL	
1. BEGINNING INVENTORY		\$	
B. PROPERTY RECEIVED			
1. From Federal Agencies	\$		
2. From other State Agencies	\$		
3. From Overseas	\$		
4. Other receipts	\$		
5. TOTAL		\$	
C. PROPERTY PROPERTY DONATED			
1. PUBLIC AGENCIES	a. Conservation	\$	
	b. Economic development	\$	
	c. Education	\$	
	ADP	\$	
	Other	\$	
	d. Homeless	\$	
	e. Parks and recreation	\$	
	f. Public health	\$	
	g. Public safety	\$	
	h. Two or more of the above	\$	
	i. Other	\$	
j. TOTAL OF PART 1	\$		
2. NONPROFIT INSTITUTIONS OR ORGANIZATIONS	a. Education	\$	
	ADP	\$	
	Other	\$	
	b. Homeless	\$	
c. Public health	\$		
d. TOTAL OF PART 2	\$		
GRAND TOTAL OF PARTS 1 AND 2			\$
D. OTHER DISTRIBUTION			
1. Transfer of other State Agencies	\$		
2. Return to Federal Agency	\$		
3. Sold	\$		
4. Abandoned or destroyed	\$		
5. Other adjustments	\$		
6. TOTAL		\$	
7. ENDING INVENTORY		\$	

FOR ALASKA

DATE OF RUN 01/09/94

	LATEST QUARTER	LAST FOUR QUARTERS
A. BEGINNING INVENTORY	\$ 771,075	\$ 793,800
B. PROPERTY RECEIVED		
1. FROM FEDERAL AGENCIES	\$ 669,210	\$ 1,978,849
2. FROM OTHER STATE AGENCIES	\$ 0	\$ 0
3. FROM OVERSEAS	\$ 0	\$ 0
4. OTHER RECEIPTS	\$ 0	\$ 16,748
5. TOTAL	\$ 669,210	\$ 1,995,597
C. PROPERTY DONATED		
1. PUBLIC AGENCIES		
(A) CONSERVATION	\$ 75	\$ 75
(B) ECONOMIC DEVELOPMENT	\$ 496,011	\$ 1,156,950
(C) EDUCATION	\$ 0	\$ 364,338
(D) PARKS AND RECREATION	\$ 3,466	\$ 6,045
(E) PUBLIC HEALTH	\$ 5,000	\$ 17,144
(F) PUBLIC SAFETY	\$ 10,895	\$ 127,648
(G) TWO OR MORE OF THE ABOVE	\$ 0	\$ 0
(H) OTHER	\$ 1,503	\$ 15,681
(I) TOTAL OF PART 1	\$ 516,950	\$ 1,687,881
2. NONPROFIT INSTITUTIONS AND ORGANIZATIONS		
(A) EDUCATION	\$ 191,950	\$ 314,724
(B) PUBLIC HEALTH	\$ 8,481	\$ 61,200
(C) TOTAL OF PART 2	\$ 200,431	\$ 375,924
GRAND TOTAL PARTS 1 AND 2	\$ 717,381	\$ 2,063,805
D. OTHER DISTRIBUTION		
1. TRANSFER TO OTHER STATE AGENCIES	\$ 0	\$ 0
2. RETURN TO FEDERAL AGENCIES	\$ 0	\$ 0
3. SOLD	\$ 0	\$ 0
4. ABANDONED OR DESTROYED	\$ 1,583	\$ 4,191
5. OTHER ADJUSTMENTS	\$ 0	\$ 80
G. TOTAL	\$ 1,583	\$ 4,271
E. ENDING INVENTORY	\$ 721,321	\$ 721,321
F. PERCENT OF RECEIPTS DONATED	107%	103%

FOR ALASKA

DATE OF RUN 01/28/97

	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	LAST FOUR QUARTERS
	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000
A. BEGINNING INVENTORY					
B. PROPERTY RECEIVED					
1. FROM FEDERAL AGENCIES	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000
2. FROM OTHER STATE AGENCIES	0	0	0	0	0
3. FROM OVERSEAS	0	0	0	0	0
4. OTHER RECEIPTS	0	0	0	0	0
5. TOTAL	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000
C. PROPERTY DONATED					
1. PUBLIC AGENCIES	\$	\$	\$	\$	\$
(A) CONSERVATION	\$	\$	\$	\$	\$
(B) ECONOMIC DEVELOPMENT	\$	\$	\$	\$	\$
(C) EDUCATION	\$	\$	\$	\$	\$
(D) HOMELESS	\$	\$	\$	\$	\$
(E) PARKS AND RECREATION	\$	\$	\$	\$	\$
(F) PUBLIC HEALTH	\$	\$	\$	\$	\$
(G) PUBLIC SAFETY	\$	\$	\$	\$	\$
(H) TWO OR MORE OF THE ABOVE	\$	\$	\$	\$	\$
(I) OTHER	\$	\$	\$	\$	\$
(J) TOTAL OF PART 1	\$	\$	\$	\$	\$
2. NONPROFIT INSTITUTIONS AND ORGANIZATIONS					
(A) EDUCATION	\$	\$	\$	\$	\$
(B) HOMELESS	\$	\$	\$	\$	\$
(C) PUBLIC HEALTH	\$	\$	\$	\$	\$
(D) TOTAL OF PART 2	\$	\$	\$	\$	\$
GRAND TOTAL PARTS 1 AND 2	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000	\$ 000,000
D. OTHER DISTRIBUTION					
1. TRANSFER TO OTHER STATE AGENCIES	\$	\$	\$	\$	\$
2. RETURN TO FEDERAL AGENCIES	\$	\$	\$	\$	\$
3. SOLD	\$	\$	\$	\$	\$
4. ABANDONED AND DESTROYED	\$	\$	\$	\$	\$
5. OTHER ADJUSTMENTS	\$	\$	\$	\$	\$
6. TOTAL	\$	\$	\$	\$	\$
E. ENDING INVENTORY	\$	\$	\$	\$	\$
F. PERCENT OF RECEIPTS DONATED	107%	107%	107%	107%	107%



 This column
 will pick up
 figures from the
 latest accounts plus

CONSULTATION WITH ADVISORY BODIES, PUBLIC, & PRIVATE GROUPS

HANDBOOK:

Consultation with advisory bodies and public and private groups.
Review methods used by the state to seek out public input on its program. Determine if a state agency advisory board has been established and, if so, when the last meeting was held.

OUTLINE FOR CONDUCTING REVIEW:

1. Determine if advisory board has been established.
2. Obtain list of members and their organizations.
3. When was last meeting held?
4. What method does SASP use to seek our public input into program?

SAMPLE WRITEUP:

A. (11) CONSULTATION WITH ADVISORY BODIES

The State Plan of Operation states that the following organizations will make up an advisory body to provide input into the state agency relative to program operation and property distribution:

State Council of Governments
State Division of Purchasing
State Association of Public Purchasers
State Office Disaster Planning and Operations
State Department of Health
State Department of Education

Public groups to be utilized include:

State Association of Council of Governments - The state is composed of twenty regional planning commissions. The director of each commission may act as a field representative to assist in screening for donees and property in his region.

Director - Division of Purchasing - source as to needs of state agencies

State Budget and Planning Office - information

State Supervisor of Industrial Education - utilize as screener for industrial equipment, needs and priorities of industrial education schools.

At the present time, the agency is not using an advisory board but does receive suggestions from citizens.

NO REQUIREMENTS

RECOMMENDATION: If possible, the SASP should establish an advisory board to work with management. SASPs should be contacted that have successfully established such boards and actively use them, i.e., the Arkansas State Agency for Surplus Property and the North Dakota State Agency for Surplus Property.

<input type="checkbox"/>	Improve attendance at regional, zonal and national PPM conferences to keep abreast of current issues, discuss problems and share ideas for improvement.
<input type="checkbox"/>	Other _____

F. ELIGIBILITY

References: FMR 102-37.380-430 and Appendix B (i) and C; Donation Handbook, Ch. 1, para. 5; Ch. 2, para 13d (5)(a)(vi) and 13d (5)(b)(ii).

QUESTIONS:

1. The review team shall make a concerted effort to review approximately 50 eligibility applications. Specifically, the team should concentrate on selecting the files of donees who have received property, especially those which are most active. This determination can be made by seeking statistical data from the SASP and then choosing the names of the donees the team wishes to review.

Briefly describe the thought process used by the review team when selecting which eligibility files to review:

2. List the number of eligibility files reviewed (See Attachment E):

<input type="checkbox"/>	Nonprofits	_____
<input type="checkbox"/>	Public Agencies	_____
<input type="checkbox"/>	Quasi-Public Agencies	_____
<input type="checkbox"/>	Service Educational Activities (SEAs)	_____
<input type="checkbox"/>	Small Business Administration Activities (SBAs)	_____
<input type="checkbox"/>	Other	_____
<input type="checkbox"/>	Total number of files reviewed	_____

3. List the number of files that have any documentation that is insufficient or not present as annotated on Attachment E:

<input type="checkbox"/>

4. Is the agency able to readily determine which files have annual licenses, accreditation, approvals, grants, etc. that expire in any given month? Provide an explanation for any answer chosen below.

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

5. Is the agency able to easily identify and separate active files (those currently participating or with property under restriction) from inactive files?

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

6. Does the agency properly annotate eligibility files that have been reviewed and updated to include all appropriate documentation?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

7. Does the agency maintain its eligibility files in a systematic and organized manner?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

8. Does the agency make accurate decisions when approving eligibility applications?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

9. Does the agency effectively and efficiently process eligibility updates?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

10. Contact the appropriate center of expertise (COE) for eligibility and compliance. Does the agency provide the COE with a written opinion/critique along with supporting documentation when seeking assistance in making an eligibility determination?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

11. Is the eligibility function adequately staffed?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

REQUIREMENTS:

- None
- Rectify all files annotated in Attachment E where the required information is insufficient/not present and/or needs updating. Provide a summary of action(s) taken for each file.
- Files for nursing homes, clinics, etc. whose eligibility depends on annual licensing must be updated each year.
- Files for volunteer fire department & rescue squads must be updated annually.
- When a donee loses its licensing, accreditation, approval, etc., the agency shall terminate its eligibility, seek the return of all property under restriction and immediately notify GSA.
- Place each donee in "inactive" status until each incomplete file is updated with all appropriate documents.
- Ensure that eligibility applications are annotated (i.e. initialed, signed, dated, etc.) to document that

<input type="checkbox"/>	a file has been updated and is "ok" or "re-approved".
<input type="checkbox"/>	Devote additional resources to ensure that eligibility determinations and updates are effectively and efficiently processed.
<input type="checkbox"/>	Establish SOPs to ensure eligibility applications and updates are effectively and efficiently processed in a timely manner.
<input type="checkbox"/>	Provide the COE with a written opinion/critique along with supporting documentation when seeking assistance in making an eligibility determination.
<input type="checkbox"/>	Send employee(s) responsible for <i>eligibility</i> to formal GSA eligibility and compliance training.
<input type="checkbox"/>	Other [REDACTED]

RECOMMENDATIONS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Separate active files from those which are inactive.
<input type="checkbox"/>	Adopt a policy of reviewing eligibility files for donees that are currently obtaining property.
<input type="checkbox"/>	Purge old and outdated information from eligibility file folders which is unnecessary.
<input type="checkbox"/>	Purge inactive donees files held beyond the agency's record retention period after ensuring these donees do not have property which is under restriction.
<input type="checkbox"/>	Distribute new applications to donees needing updates to ensure the file is thoroughly updated.
<input type="checkbox"/>	Design a form letter detailing specific documentation needed to process application for a nonprofit and a public agency.
<input type="checkbox"/>	Establish comprehensive checklist to verify information needed for eligibility file updates.
<input type="checkbox"/>	Establish a database for monitoring eligibility files to track expiration dates of licensing, accreditation, grants, etc.
<input type="checkbox"/>	Establish a suspense update file to ensure all follow-up action is completed in a timely manner.
<input type="checkbox"/>	Obtain information to establish the legitimacy of programs not easily or widely recognized.
<input type="checkbox"/>	Obtain all available official state directories to determine who is recognized, licensed, accredited, approved, chartered, etc., by such appropriate governing bodies as State Fire Marshal, Board of Regents, Board of Education/Health, etc.
<input type="checkbox"/>	Other [REDACTED]

G. SCREENING

References: FMR 102-37.45 and 175-200; Donation Handbook, Ch. 1, para. 22 and Ch. 2, para. 7 and 13d (5)(b)(v).

QUESTIONS:

1. Does the agency utilize all available avenues to screen and secure property, (i.e. participate in the overseas program, screen outside region, use GSAXcess, use donee screeners, establish screening alliances with other SASPs, etc.)?

<input type="checkbox"/>	Yes	[REDACTED]
<input type="checkbox"/>	No	[REDACTED]
<input type="checkbox"/>	Other	[REDACTED]

2. In the opinion of the home state APO, is the agency devoting sufficient attention to acquiring donable civilian agency surplus?

<input type="checkbox"/>	Yes	[REDACTED]
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ELIGIBILITY

HANDBOOK:

Eligibility . Eligibility files should be maintained in a systematic manner and contain all necessary documentation. Files are required to be updated periodically and annotated to indicate when they were last reviewed. Close attention should be directed to files maintained for nonprofit and tax-exempt organizations and institutions. It is suggested that a minimum of 50 donee files be examined during the review.

OUTLINE FOR CONDUCTING REVIEW:

1. Randomly pull at least 50 eligibility files, both nonprofit and public agencies.
2. Files should be checked for completeness, current licenses, and date of last update using sample checklist.
3. Files are checked as thoroughly as time allows. Eligibility determinations may be difficult in such a short period of time.
5. Review several eligibilities checked in prior biennials to see that they have been updated.
6. When pulling applications, note unusual names of organizations that may require further examination.
7. Check application for street address; post box is not acceptable unless additional information is provided i.e., three blocks past fire house on left side of road. Utilization checks cannot be made to post office boxes.
8. Applicant must qualify as a public agency or a nonprofit organization. They might be both but SASP must indicate which category they accepted for eligibility purposes.

9. Has adequate written description of program been provided? This is an absolute must with nonprofit organizations and should be provided as well by public agencies. ✖

10. Check to see if nonprofit organizations have included a copy of their articles of incorporation and bylaws so that you may check to see for what purpose they were formed.

11. What is their source of funding? All public agencies must be tax supported or be created by state statute. The state statute should be copied and included in the file, particularly for organizations such as volunteer fire departments, etc.

12. All nonprofit organizations must provide a copy of their tax exemption under Section 501 of the Internal Revenue Service Code of 1954. This exemption must contain a current name and address. If it does not the SASP must request that a corrected copy be furnished.

13. All licenses should be checked to see if they are current. Always check to see who issued the licence and what the organization is licensed to do.

14. If the organization is nonprofit educational, it must be accredited by the Department of Education or a recognized accrediting organization.

15. The application must be signed and dated by an authorized official of the donee organization and signed and dated by the director of the SASP.

16. Check to see if the applicant has been determined to be conditionally eligible. If so check date determination was made.

17. Check Authorized Representatives form for signature of certifying official and date.

18. Check Nondiscrimination Assurance for signature of authorized official and date.

19. Indicate date of last update.

20. Determine whether you concur with SASP's determination of eligibility.

SAMPLE WRITEUP:

A. (9) ELIGIBILITY

The state agency is responsible for determining eligibility of potential donees to participate in the donation program and receive surplus Federal property. At least two SASP employee have been trained in determining eligibility. When assistance is required, applications are forwarded to GSA for recommendations.

Eligibility files are reviewed and updated with current information for the purpose of renewing or withdrawing eligibility on a continuous basis; annually for organizations that operate with a license; and 30 days prior to the expiration of a grant.

Approximately 60 applications for eligibility were randomly pulled out and checked for program descriptions, nondiscrimination assurances, designations of authorized representatives and current licenses. The following problems were found:

Child Development Center, Inc.

The application did not contain a narrative of program or articles of incorporation. On July 30, 1991, the SASP sent a letter to the donee organization requesting both on July 30, 1991.

Wave Corporation

This application did not contain evidence that the radio station is licensed by FAA as an educational radio station. FM frequency is 89.5 MHZ. The SASP sent a letter to the organization on July 30, 1991, requesting a complete narrative description of programs and/or services offered by the station including a copy of all programming, as well as their articles of incorporation.

Regional Medical Center

This application did not contain a narrative of services provided. The SASP sent a letter to the donee organization on July 30, 1991, requesting a complete narrative.

<input type="checkbox"/>	a file has been updated and is "ok" or "re-approved".
<input type="checkbox"/>	Devote additional resources to ensure that eligibility determinations and updates are effectively and efficiently processed.
<input type="checkbox"/>	Establish SOPs to ensure eligibility applications and updates are effectively and efficiently processed in a timely manner.
<input type="checkbox"/>	Provide the COE with a written opinion/critique along with supporting documentation when seeking assistance in making an eligibility determination.
<input type="checkbox"/>	Send employee(s) responsible for <i>eligibility</i> to formal GSA eligibility and compliance training.
<input type="checkbox"/>	Other <input type="text"/>

RECOMMENDATIONS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Separate active files from those which are inactive.
<input type="checkbox"/>	Adopt a policy of reviewing eligibility files for donees that are currently obtaining property.
<input type="checkbox"/>	Purge old and outdated information from eligibility file folders which is unnecessary.
<input type="checkbox"/>	Purge inactive donees files held beyond the agency's record retention period after ensuring these donees do not have property which is under restriction.
<input type="checkbox"/>	Distribute new applications to donees needing updates to ensure the file is thoroughly updated.
<input type="checkbox"/>	Design a form letter detailing specific documentation needed to process application for a nonprofit and a public agency.
<input type="checkbox"/>	Establish comprehensive checklist to verify information needed for eligibility file updates.
<input type="checkbox"/>	Establish a database for monitoring eligibility files to track expiration dates of licensing, accreditation, grants, etc.
<input type="checkbox"/>	Establish a suspense update file to ensure all follow-up action is completed in a timely manner.
<input type="checkbox"/>	Obtain information to establish the legitimacy of programs not easily or widely recognized.
<input type="checkbox"/>	Obtain all available official state directories to determine who is recognized, licensed, accredited, approved, chartered, etc., by such appropriate governing bodies as State Fire Marshal, Board of Regents, Board of Education/Health, etc.
<input type="checkbox"/>	Other <input type="text"/>

G. SCREENING

References: FMR 102-37.45 and 175-200; Donation Handbook, Ch. 1, para. 22 and Ch. 2, para. 7 and 13d (5)(b)(v).

QUESTIONS:

1. Does the agency utilize all available avenues to screen and secure property, (i.e. participate in the overseas program, screen outside region, use GSAXcess, use donee screeners, establish screening alliances with other SASPs, etc.)?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

2. In the opinion of the home state APO, is the agency devoting sufficient attention to acquiring donable civilian agency surplus?

<input type="checkbox"/>	Yes	<input type="text"/>
--------------------------	-----	----------------------

<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

3. Review the agency's distribution target percentage since the last review (See Attachment D). What is the average percentage during that period?

4. Do these figures represent a positive change since the last review?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

5. Is the agency considered an "over" state (above 86%)?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

Note: If the agency is an "over" state, proceed to question #8.

6. If less than 86%, can the reason for the lower distribution percentage be pinpointed? Provide an explanation for any answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

7. Has the agency exhausted all efforts to improve its distribution percentage? Provide an explanation for any answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

8. Other than using historical knowledge of property desired by donees, does the SASP actually utilize "want lists" when searching for property?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

9. In what manner are the lists collected, distributed and utilized by agency personnel?

<input type="checkbox"/>	Want list form included with invoices.
<input type="checkbox"/>	Want list request included with eligibility application packet.
<input type="checkbox"/>	Individual donee want lists combined into master donee want list which is distributed to all agency screeners.
<input type="checkbox"/>	Agency screeners use master donee want list at physical screenings and while searching GSAXcess.
<input type="checkbox"/>	Wants lists can be posted by donees on the agency's webpage.

<input type="checkbox"/>	Want lists are shared among agency screeners and warehouse personnel.
<input type="checkbox"/>	Other _____

10. Since screener's card are no longer required when viewing and/or picking up property, has the agency begun to retrieve all issued cards either proactively or as they expire?

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

11. Does the SASP maintain a log of all individuals authorized to screen property including their names, addresses, telephone numbers, qualifications to screen, and any additional identifying information? This log shall include those donees that are authorized to screen property physically and electronically.

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

12. Does it appear that the agency and its screeners are sufficiently trained to screen and pick up property?

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

13. Review the agency's donation rate percentage since the last review (See Attachment D). What is the average percentage during that period?

<input type="text"/>

14. Do any trends exist with respect to the donation rate? Provide an explanation for any answer listed below.

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

15. Is the agency at or above the satisfactory performance level of 75%?

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

REQUIREMENTS:

- | | |
|--------------------------|--|
| <input type="checkbox"/> | None. |
| <input type="checkbox"/> | Develop method for improving distribution target percentage especially since this can negatively impact the agency's allocation of property. |
| <input type="checkbox"/> | Obtain and review GSA's RCS 41 report and monitor its distribution percentage so that it can effectively compete with other state agencies for property. |
| <input type="checkbox"/> | Retrieve screener's cards and forward the cards to the appropriate regional office for destruction. |

<input type="checkbox"/>	Develop method for improving donation rate percentage especially since this can negatively impact the agency's allocation of property.
<input type="checkbox"/>	Other

RECOMMENDATIONS:

<input type="checkbox"/>	Aggressively pursue additional opportunities to screen and secure property, (i.e. participate in the overseas program, screen outside region, use GSAXcess, use donee screeners, establish screening alliances with other SASPs, etc.)?
<input type="checkbox"/>	Pursue additional opportunities to acquire both civilian and military agency property.
<input type="checkbox"/>	Aggressively pursue all available property nationwide.
<input type="checkbox"/>	Aggressively screen DOD/RCP property via GSAXcess.
<input type="checkbox"/>	Initiate communication with home state APO to determine the availability of donable civilian agency surplus.
<input type="checkbox"/>	Develop method for improving distribution target percentage especially since this can negatively impact the agency's allocation of property.
<input type="checkbox"/>	Obtain and review GSA's RCS 41 report and monitor its distribution percentage so that it can effectively compete with other state agencies for property.
<input type="checkbox"/>	Increase usage and improve circulation of want lists by staff.
<input type="checkbox"/>	Establish a want list "drop box" conspicuously displayed near the warehouse entrance.
<input type="checkbox"/>	Retrieve screener's cards and forward the cards to the appropriate regional office for destruction.
<input type="checkbox"/>	Maintain a log of individuals authorized to screen property physically and electronically including their names, addresses, telephone numbers, qualifications to screen, and any additional identifying information.
<input type="checkbox"/>	Develop method for improving donation rate percentage especially since this can negatively impact the agency's allocation of property.
<input type="checkbox"/>	Actively promote the use of electronic screening by donees.
<input type="checkbox"/>	Develop SOPs for employees and donees to use when screening property using GSAXcess.
<input type="checkbox"/>	Stress to staffers who are responsible for electronic screening to remain vigilant while searching for property, perhaps requiring GSAXcess to be screened at least every other day.
<input type="checkbox"/>	Other

H. AUDITS

References: FMR 102-37.345-355 and Appendix B (I); OMB Circular A-128 and A-133; Donation Handbook, Ch. 2, para. 13d (5)(a)(xii) and para. 14.

QUESTIONS:

1. Have there been any audits of any type performed since the last review (including any under the Single Audit Act)? Provide an explanation for any answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

Note: If no audits were performed, proceed to question #6.

Type: _____

Date: _____

SCREENING

HANDBOOK:

Screening. Make sure that screeners files are complete, including outline of qualifications and locations where authorized to screen. Also, establish if screening schedules are maintained. Include a statement in the review report indicating the number of donee screeners cards issued.

OUTLINE FOR CONDUCTING REVIEW:

1. Prepare listing of authorized SASP and donee screeners before leaving regional offices.
2. Check SASPs log of SASP screeners against GSA records.
3. Verify SASPs log of donee screeners.
4. Does SASP encourage donee screening?
5. List SASP and donees authorized to screen as an exhibit to report (if listing is not too long).
6. What DRMOs are screened by the SASP?
7. Do they participate in the overseas program?

FEDS Screening

STATE AGENCY FOR SURPLUS PROPERTY
BIENNIAL REVIEW

AREAS OF CONCERN

H. SCREENING:

References: FPMR 101-44.109; 101-44.116; Donation Handbook, Ch.2, para. 7, and paragraph 13d(5)(b)(v).

1. Does the agency utilize all available avenues to screen and secure property (i.e. participant in the overseas program, screen outside region, use of FEDS, use of donee screeners, screening alliances with other SASPs, etc.)? _____
2. Does the agency regularly visit regional DRMOs? _____
3. In the opinion of the home state APO, does it appear that the agency relies too heavily upon DOD surplus while frequently ignoring donable civilian agency surplus?

If so, make a strong recommendation to encourage greater screening of civilian agency surplus? _____
4. Prior to the review week, the reviewer shall research the agency's entitlement percentages since the last review and prepare a graph as an attachment....
What was the average % during the period? _____
Any trends? _____
Is the agency an "under" state consideration (below 86%)? _____
If so, can the problem be pinpointed? _____
What can the agency do to improve? _____
5. Has the agency utilized FEDS to screen, freeze, and request property? _____
If the agency has not secured access to FEDS or is not using it weekly, attempt to determine why and encourage the agency to immediately do so? _____
If time permits, contact central office on behalf of the agency in an effort to assist the agency secure access to FEDS? _____
Any specific complaints, questions, concerns regarding use of FEDS? _____
6. Other than using historical knowledge of property desired by donees, does the SASP utilize actual "want lists" collected from program participants? _____
If so, in what manner are the lists collected, distributed, and utilized? _____

<input type="checkbox"/>	Develop method for improving donation rate percentage especially since this can negatively impact the agency's allocation of property.
<input type="checkbox"/>	Other _____

RECOMMENDATIONS:

<input type="checkbox"/>	Aggressively pursue additional opportunities to screen and secure property, (i.e. participate in the overseas program, screen outside region, use GSAXcess, use donee screeners, establish screening alliances with other SASPs, etc.)?
<input type="checkbox"/>	Pursue additional opportunities to acquire both civilian and military agency property.
<input type="checkbox"/>	Aggressively pursue all available property nationwide.
<input type="checkbox"/>	Aggressively screen DOD/RCP property via GSAXcess.
<input type="checkbox"/>	Initiate communication with home state APO to determine the availability of donable civilian agency surplus.
<input type="checkbox"/>	Develop method for improving distribution target percentage especially since this can negatively impact the agency's allocation of property.
<input type="checkbox"/>	Obtain and review GSA's RCS 41 report and monitor its distribution percentage so that it can effectively compete with other state agencies for property.
<input type="checkbox"/>	Increase usage and improve circulation of want lists by staff.
<input type="checkbox"/>	Establish a want list "drop box" conspicuously displayed near the warehouse entrance.
<input type="checkbox"/>	Retrieve screener's cards and forward the cards to the appropriate regional office for destruction.
<input type="checkbox"/>	Maintain a log of individuals authorized to screen property physically and electronically including their names, addresses, telephone numbers, qualifications to screen, and any additional identifying information.
<input type="checkbox"/>	Develop method for improving donation rate percentage especially since this can negatively impact the agency's allocation of property.
<input type="checkbox"/>	Actively promote the use of electronic screening by donees.
<input type="checkbox"/>	Develop SOPs for employees and donees to use when screening property using GSAXcess.
<input type="checkbox"/>	Stress to staffers who are responsible for electronic screening to remain vigilant while searching for property, perhaps requiring GSAXcess to be screened at least every other day.
<input type="checkbox"/>	Other _____

H. AUDITS

References: FMR 102-37.345-355 and Appendix B (I); OMB Circular A-128 and A-133; Donation Handbook, Ch. 2, para. 13d (5)(a)(xii) and para. 14.

QUESTIONS:

1. Have there been any audits of any type performed since the last review (including any under the Single Audit Act)? Provide an explanation for any answer listed below.

<input type="checkbox"/>	Yes	_____
<input type="checkbox"/>	No	_____
<input type="checkbox"/>	Other	_____

Note: If no audits were performed, proceed to question #6.

Type: _____

Date: _____

2. Was a copy of any audit report(s) provided to the regional office within 30 days of receipt of the auditor's final copy?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

3. Was the audit(s) a comprehensive program/operational audit or was it simply just a financial audit?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

4. If the audit(s) which was performed was simply a financial audit, did the audit sufficiently meet the requirements for audits as stated in the audit section of the agency's state plan?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

5. If there were any significant findings requiring corrective action, has the agency rectified all concerns/problems?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

6. Was the review team able to view or secure evidence that the state's Federal Surplus Property Program (program number 39.003) was listed in the total Federal financial assistance figure for the state in accordance with the Single Audit Act and OMB circular A-133?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

7. Has the state met the requirements for audits as outlined in its state plan?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

8. Did the SASP provide a plan of action to GSA satisfactorily addressing all requirements outlined in the last GSA issued review report?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

9. Has the SASP implemented corrective actions aimed at preventing the problems re-occurring?

<input type="checkbox"/>	Yes	
--------------------------	-----	--

<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

REQUIREMENTS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Ensure the state accounts for the Federal Surplus Property Program and is compliant with the Single Audit Act.
<input type="checkbox"/>	Ensure the Federal surplus program is audited as required by the agency's state plan.
<input type="checkbox"/>	Provide responsible state management officials and state offices with written notification of the appropriate audit requirements as stipulated in the agency's state plan.
<input type="checkbox"/>	Submit a copy of any required audit report to GSA within 30 days of receipt of the final copy.
<input type="checkbox"/>	Ensure that all recommendations noted in any state audit(s) are implemented to prevent such problems from occurring.
<input type="checkbox"/>	Update state plan to reflect the state auditor's interpretation of the frequency for which the audits should be performed as required by state and Federal law.
<input type="checkbox"/>	Since it appears that the same type(s) of problems have re-occurred since the last GSA state agency review, implement sufficient controls to ensure that the agency fully implements its corrective action plans, so that similar findings or problems do not re-surface during the next GSA review.
<input type="checkbox"/>	Other

RECOMMENDATIONS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Assign the responsibility of coordinating and documenting the state agency for surplus property program's responses (action plans) to state audit reports and GSA state review reports to one individual.
<input type="checkbox"/>	Other

I. COOPERATIVE AGREEMENTS

References: FMR 102-37.205, 265, 270, 290, 305, 325-340 and Appendix B (m); Donation Handbook, Ch. 2, para. 6, 13d (5)(a)(xii)

QUESTIONS:

1. For what purposes has the SASP entered into cooperative agreements?

<input type="checkbox"/>	Obtaining Federal surplus for agency use.
<input type="checkbox"/>	Selling nondonable property with GSA's assistance.
<input type="checkbox"/>	Sharing donees with another SASP.
<input type="checkbox"/>	Warehousing Federal excess.
<input type="checkbox"/>	Other

2. If the SASP has an agreement to warehouse Federal excess, is it being utilized?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
<input type="checkbox"/>	Other

AUDITS

HANDBOOK:

Audits. Assess the extent of internal and other audit coverage devoted to the state agency. Determine if corrective actions have been undertaken to resolve any deficiencies or requirements outstanding from prior audits and reviews. Items for discussion should be entered under part I of the review checklist.

OUTLINE FOR CONDUCTING REVIEW:

1. When was last single agency audit performed? Request copies if not previously provided by agency.
2. What is date of last internal audit? Request copies (SASP does not have to furnish).
3. Determine what actions have been taken to correct findings.
4. When are next audits scheduled?

SAMPLE WRITEUP:

A. (12) AUDITS

An audit report dated February 5, 1990, performed by the Inspector General's Office, General Services Administration, set forth the following recommendations:

"1. To strengthen internal controls to the Federal Surplus property program in the state, we recommend that:

- a. The State Agency be required to adopt improved inventory classification procedures so that property may be clearly accounted for.
- b. A complete physical inventory of Federal property at the State Agency be conducted by a qualified, independent organization.
- c. The cooperative agreement allowing the State Agency to act as GSA's agent for the sale of undonated Federal surplus property be terminated.

2. We recommend that after the State Agency notifies FSS that corrective actions have been completed, FSS perform a compliance review of the State Agency to ensure that appropriate corrective actions have been taken."

All recommended actions have been taken with the exception of the last one, that FSS perform a compliance review of the State Agency. This biennial report will fulfill that requirement.

The Offices of the State Auditor audited the agency for the three years ended June 30, 1990. In a report dated April 21, 1991, numerous findings were presented. In a letter dated July 11, 1991, the manager addressed the concerns of GSA regarding the audit report. All areas of concern were cleared up and GSA now considers the audit file closed. A follow-up audit by the state auditor's office is scheduled for August 20, 1991.

The manager and staff of the agency maintain an internal audit check daily as required by the State Plan of Operation.

The manager of the state agency has requested clarification of Office of Management and Budget Circular A-128 and A-133 from GSA. Additional research will be conducted by the Regional office and a reply given at a later date.

NO REQUIREMENTS

NO RECOMMENDATIONS

Public Law 98-502
98th Congress

An Act

To establish uniform audit requirements for State and local governments receiving Federal financial assistance.

Oct. 19, 1984
[S. 1510]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Single Audit Act
of 1984.

SHORT TITLE; PURPOSE

SECTION 1. (a) This Act may be cited as the "Single Audit Act of 1984".

31 USC 7501
note.

(b) It is the purpose of this Act—

(1) to improve the financial management of State and local governments with respect to Federal financial assistance programs;

(2) to establish uniform requirements for audits of Federal financial assistance provided to State and local governments;

(3) to promote the efficient and effective use of audit resources; and

(4) to ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to chapter 75 of title 31, United States Code (as added by this Act).

AMENDMENT TO TITLE 31, UNITED STATES CODE

SEC. 2. (a) Subtitle V of title 31, United States Code, is amended by adding at the end thereof the following new chapter:

**"CHAPTER 75—REQUIREMENTS FOR SINGLE
AUDITS**

"Sec.

"7501. Definitions.

"7502. Audit requirements; exemptions.

"7503. Relation to other audit requirements.

"7504. Cognizant agency responsibilities.

"7505. Regulations.

"7506. Monitoring responsibilities of the Comptroller General.

"7507. Effective date; report.

"§ 7501. Definitions

31 USC 7501.

"As used in this chapter, the term—

"(1) 'cognizant agency' means a Federal agency which is assigned by the Director with the responsibility for implementing the requirements of this chapter with respect to a particular State or local government.

"(2) 'Comptroller General' means the Comptroller General of the United States.

"(3) 'Director' means the Director of the Office of Management and Budget.

Federal financial assistance' means assistance provided by a federal agency in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, or direct appropriations, but does not include direct Federal cash assistance to individuals.

"(5) 'Federal agency' has the same meaning as the term 'agency' in section 551(1) of title 5, United States Code.

"(6) 'generally accepted accounting principles' has the meaning specified in the generally accepted government auditing standards.

"(7) 'generally accepted government auditing standards' means the standards for audit of governmental organizations, programs, activities, and functions, issued by the Comptroller General.

"(8) 'independent auditor' means—

"(A) an external State or local government auditor who meets the independence standards included in generally accepted government auditing standards, or

"(B) a public accountant who meets such independence standards.

"(9) 'internal controls' means the plan of organization and methods and procedures adopted by management to ensure that—

"(A) resource use is consistent with laws, regulations, and policies;

"(B) resources are safeguarded against waste, loss, and misuse; and

"(C) reliable data are obtained, maintained, and fairly disclosed in reports.

"(10) 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaskan Native village or regional or village corporation (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(11) 'local government' means any unit of local government within a State, including a county, borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, and any other instrumentality of local government.

"(12) 'major Federal assistance program' means any program for which total expenditures of Federal financial assistance by the State or local government during the applicable year exceed—

"(A) \$20,000,000 in the case of a State or local government for which such total expenditures for all programs exceed \$7,000,000,000;

"(B) \$19,000,000 in the case of a State or local government for which such total expenditures for all programs exceed \$6,000,000,000 but are less than or equal to \$7,000,000,000;

"(C) \$16,000,000 in the case of a State or local government for which such total expenditures for all programs exceed \$5,000,000,000 but are less than or equal to \$6,000,000,000;

"(D) \$13,000,000 in the case of a State or local government for which such total expenditures for all programs exceed \$4,000,000,000 but are less than or equal to \$5,000,000,000;

"(E) \$10,000,000 in the case of a State or local government for which such total expenditures for all programs exceed \$3,000,000,000 but are less than or equal to \$4,000,000,000;

"(F) \$7,000,000 in the case of a State or local government for which such total expenditures for all programs exceed \$2,000,000,000 but are less than or equal to \$3,000,000,000;

"(G) \$4,000,000 in the case of a State or local government for which such total expenditures for all programs exceed \$1,000,000,000 but are less than or equal to \$2,000,000,000;

"(H) \$3,000,000 in the case of a State or local government for which such total expenditures for all programs exceed \$100,000,000 but are less than or equal to \$1,000,000,000; and

"(I) the larger of (i) \$300,000, or (ii) 3 percent of such total expenditures for all programs, in the case of a State or local government for which such total expenditures for all programs exceed \$100,000 but are less than or equal to \$100,000,000.

"(13) 'public accountants' means those individuals who meet the qualification standards included in generally accepted government auditing standards for personnel performing government audits.

"(14) 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian tribe.

"(15) 'subrecipient' means any person or government department, agency, or establishment that receives Federal financial assistance through a State or local government, but does not include an individual that receives such assistance.

"§ 7502. Audit requirements; exemptions

31 USC 7502.

"(a)(1)(A) Each State and local government which receives a total amount of Federal financial assistance equal to or in excess of \$100,000 in any fiscal year of such government shall have an audit made for such fiscal year in accordance with the requirements of this chapter and the requirements of the regulations prescribed pursuant to section 7505 of this title.

"(B) Each State and local government that receives a total amount of Federal financial assistance which is equal to or in excess of \$25,000 but less than \$100,000 in any fiscal year of such government shall—

"(i) have an audit made for such fiscal year in accordance with the requirements of this chapter and the requirements of the regulations prescribed pursuant to section 7505 of this title; or

"(ii) comply with any applicable requirements concerning financial or financial and compliance audits contained in Federal statutes and regulations governing programs under which such Federal financial assistance is provided to that government.

"(C) Each State and local government that receives a total amount of Federal financial assistance which is less than \$25,000 in any

such government shall be exempt for such fiscal year from compliance with—

"(i) the audit requirements of this chapter; and

"(ii) any applicable requirements concerning financial or financial and compliance audits contained in Federal statutes and regulations governing programs under which such Federal financial assistance is provided to that government.

The provisions of clause (ii) of this subparagraph do not exempt a State or local government from compliance with any provision of a Federal statute or regulation that requires such government to maintain records concerning Federal financial assistance provided to such government or that permits a Federal agency or the Comptroller General access to such records.

"(2) For purposes of this section, a State or local government shall be considered to receive Federal financial assistance whether such assistance is received directly from a Federal agency or indirectly through another State or local government.

"(b)(1) Except as provided in paragraphs (2) and (3), audits conducted pursuant to this chapter shall be conducted annually.

"(2) If a State or local government is required—

"(A) by constitution or statute, as in effect on the date of enactment of this chapter, or

"(B) by administrative rules, regulations, guidelines, standards, or policies, as in effect on such date,

to conduct its audits less frequently than annually, the cognizant agency for such government shall, upon request of such government, permit the government to conduct its audits pursuant to this chapter biennially, except as provided in paragraph (3). Such audits shall cover both years within the biennial period.

"(3) Any State or local government that is permitted, under clause (B) of paragraph (2), to conduct its audits pursuant to this chapter biennially by reason of the requirements of a rule, regulation, guideline, standard, or policy, shall, for any of its fiscal years beginning after December 31, 1986, conduct such audits annually unless such State or local government codifies a requirement for biennial audits in its constitution or statutes by January 1, 1987. Audits conducted biennially under the provisions of this paragraph shall cover both years within the biennial period.

"(c) Each audit conducted pursuant to subsection (a) shall be conducted by an independent auditor in accordance with generally accepted government auditing standards, except that, for the purposes of this chapter, such standards shall not be construed to require economy and efficiency audits, program results audits, or program evaluations.

"(d)(1) Each audit conducted pursuant to subsection (a) for any fiscal year shall cover the entire State or local government's operations except that, at the option of such government—

"(A) such audit may, except as provided in paragraph (5), cover only each department, agency, or establishment which received, expended, or otherwise administered Federal financial assistance during such fiscal year; and

"(B) such audit may exclude public hospitals and public colleges and universities.

"(2) Each such audit shall encompass the entirety of the financial operations of such government or of such department, agency, or establishment, whichever is applicable, and shall determine and report whether—

"(A)(i) the financial statements of the government, department, agency, or establishment present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles; and

"(ii) the government, department, agency, or establishment has complied with laws and regulations that may have a material effect upon the financial statements;

"(B) the government, department, agency, or establishment has internal control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations; and

"(C) the government, department, agency, or establishment has complied with laws and regulations that may have a material effect upon each major Federal assistance program.

In complying with the requirements of subparagraph (C), the independent auditor shall select and test a representative number of transactions from each major Federal assistance program.

"(3) Transactions selected from Federal assistance programs, other than major Federal assistance programs, pursuant to the requirements of paragraphs (2)(A) and (2)(B) shall be tested for compliance with Federal laws and regulations that apply to such transactions. Any noncompliance found in such transactions by the independent auditor in making determinations required by this paragraph shall be reported.

"(4) The number of transactions selected and tested under paragraphs (2) and (3), the selection and testing of such transactions, and the determinations required by such paragraphs shall be based on the professional judgment of the independent auditor.

"(5) Each State or local government which, in any fiscal year of such government, receives directly from the Department of the Treasury a total of \$25,000 or more under chapter 67 of this title (relating to general revenue sharing) and which is required to conduct an audit pursuant to this chapter for such fiscal year shall not have the option provided by paragraph (1)(A) for such fiscal year.

"(6) A series of audits of individual departments, agencies, and establishments for the same fiscal year may be considered to be an audit for the purpose of this chapter.

"(e)(1) Each State and local government subject to the audit requirements of this chapter, which receives Federal financial assistance and provides \$25,000 or more of such assistance in any fiscal year to a subrecipient, shall—

"(A) if the subrecipient conducts an audit in accordance with the requirements of this chapter, review such audit and ensure that prompt and appropriate corrective action is taken on instances of material noncompliance with applicable laws and regulations with respect to Federal financial assistance provided to the subrecipient by the State or local government; or

"(B) if the subrecipient does not conduct an audit in accordance with the requirements of this chapter—

"(i) determine whether the expenditures of Federal financial assistance provided to the subrecipient by the State or local government are in accordance with applicable laws and regulations; and

"(ii) ensure that prompt and appropriate corrective action is taken on instances of material noncompliance with applicable laws and regulations with respect to Federal financial

assistance provided to the subrecipient by the State or local government.

(2) Each such State and local government shall require each subrecipient of Federal assistance through such government to permit, as a condition of receiving funds from such assistance, the independent auditor of the State or local government to have such access to the subrecipient's records and financial statements as may be necessary for the State or local government to comply with this chapter.

(f) The report made on any audit conducted pursuant to this section shall, within thirty days after completion of such report, be transmitted to the appropriate Federal officials and made available by the State or local government for public inspection.

(g) If an audit conducted pursuant to this section finds any material noncompliance with applicable laws and regulations by, or material weakness in the internal controls of, the State or local government with respect to the matters described in subsection (d)(2), the State or local government shall submit to appropriate Federal officials a plan for corrective action to eliminate such material noncompliance or weakness or a statement describing the reasons that corrective action is not necessary. Such plan shall be consistent with the audit resolution standard promulgated by the Comptroller General (as part of the standards for internal controls in the Federal Government) pursuant to section 3512(b) of this title.

§ 7503. Relation to other audit requirements

(a) An audit conducted in accordance with this chapter shall be in lieu of any financial or financial and compliance audit of an individual Federal assistance program which a State or local government is required to conduct under any other Federal law or regulation. To the extent that such audit provides a Federal agency with the information it requires to carry out its responsibilities under Federal law or regulation, a Federal agency shall rely upon and use that information and plan and conduct its own audits accordingly in order to avoid a duplication of effort.

(b) Notwithstanding subsection (a), a Federal agency shall conduct any additional audits which are necessary to carry out its responsibilities under Federal law or regulation. The provisions of this chapter do not authorize any State or local government (or subrecipient thereof) to constrain, in any manner, such agency from carrying out such additional audits.

(c) The provisions of this chapter do not limit the authority of Federal agencies to conduct, or enter into contracts for the conduct of, audits and evaluations of Federal financial assistance programs, nor limit the authority of any Federal agency Inspector General or other Federal audit official.

(d) Subsection (a) shall apply to a State or local government which conducts an audit in accordance with this chapter even though it is not required by section 7502(a) to conduct such audit.

(e) A Federal agency that performs or contracts for audits in addition to the audits conducted by recipients pursuant to this chapter shall, consistent with other applicable law, arrange for funding the cost of such additional audits. Such additional audits include economy and efficiency audits, program results audits, and program evaluations.

§ 7504. Cognizant agency responsibilities

(a) The Director shall designate cognizant agencies for audits conducted pursuant to this chapter.

(b) A cognizant agency shall—

(1) ensure that audits are made in a timely manner and in accordance with the requirements of this chapter;

(2) ensure that the audit reports and corrective action plans made pursuant to section 7502 of this title are transmitted to the appropriate Federal officials; and

(3)(A) coordinate, to the extent practicable, audits done by or under contract with Federal agencies that are in addition to the audits conducted pursuant to this chapter; and (B) ensure that such additional audits build upon the audits conducted pursuant to this chapter.

§ 7505. Regulations

(a) The Director, after consultation with the Comptroller General and appropriate Federal, State, and local government officials, shall prescribe policies, procedures, and guidelines to implement this chapter. Each Federal agency shall promulgate such amendments to its regulations as may be necessary to conform such regulations to the requirements of this chapter and of such policies, procedures, and guidelines.

(b)(1) The policies, procedures, and guidelines prescribed pursuant to subsection (a) shall include criteria for determining the appropriate charges to programs of Federal financial assistance for the cost of audits. Such criteria shall prohibit a State or local government which is required to conduct an audit pursuant to this chapter from charging to any such program (A) the cost of any financial or financial and compliance audit which is not conducted in accordance with this chapter, and (B) more than a reasonably proportionate share of the cost of any such audit that is conducted in accordance with this chapter.

(2) The criteria prescribed pursuant to paragraph (1) shall not, in the absence of documentation demonstrating a higher actual cost, permit (A) the ratio of (i) the total charges by a government to Federal financial assistance programs for the cost of audits performed pursuant to this chapter, to (ii) the total cost of such audits, to exceed (B) the ratio of (i) total Federal financial assistance expended by such government during the applicable fiscal year or years, to (ii) such government's total expenditures during such fiscal year or years.

(c) Such policies, procedures, and guidelines shall include such provisions as may be necessary to ensure that small business concerns and business concerns owned and controlled by socially and economically disadvantaged individuals will have the opportunity to participate in the performance of contracts awarded to fulfill the audit requirements of this chapter.

§ 7506. Monitoring responsibilities of the Comptroller General

The Comptroller General shall review provisions requiring financial or financial and compliance audits of recipients of Federal assistance that are contained in bills and resolutions reported by the committees of the Senate and the House of Representatives. If the Comptroller General determines that a bill or resolution contains provisions that are inconsistent with the requirements of this chap-

ter, the Comptroller shall, at the earliest practicable date, notify in writing—

“(1) the committee that reported such bill or resolution; and

“(2XA) the Committee on Governmental Affairs of the Senate (in the case of a bill or resolution reported by a committee of the Senate); or

“(B) the Committee on Government Operations of the House of Representatives (in the case of a bill or resolution reported by a committee of the House of Representatives).

31 USC 7507.

“§ 7507. Effective date; report

“(a) This chapter shall apply to any State or local government with respect to any of its fiscal years which begin after December 31, 1984.

“(b) The Director, on or before May 1, 1987, and annually thereafter, shall submit to each House of Congress a report on operations under this chapter. Each such report shall specifically identify each Federal agency or State or local government which is failing to comply with this chapter.”

(b) The provisions of this Act shall not diminish or otherwise affect the authority of the Tennessee Valley Authority to conduct its own audits of any matter involving funds disbursed by the Tennessee Valley Authority.

(c) The table of chapters for subtitle V of title 31, United States Code, is amended by inserting after the item relating to chapter 73 the following new item:

“75. Requirements for Single Audits 7501”.

Approved October 19, 1984.

Tennessee Valley Authority. 31 USC 7501 note.

LEGISLATIVE HISTORY—S. 1510 (H.R. 4821):

HOUSE REPORT No. 98-708 accompanying H.R. 4821 (Comm. on Government Operations).

SENATE REPORT No. 98-234 (Comm. on Governmental Affairs).

CONGRESSIONAL RECORD:

Vol. 129 (1983): Nov. 2, considered and passed Senate.

Vol. 130 (1984): May 15, H.R. 4821 considered and passed House; S. 1510 amended, passed in lieu.

Oct. 3, Senate concurred in House amendments with amendments.

Oct. 4, House concurred in Senate amendments.

- 1734. Evaluation
- 1735. Training and technical assistance

LABOR MARKET INFORMATION

- 1751. Labor market information; availability of funds
- 1752. Cooperative labor market information program
- 1753. Special Federal responsibilities
- 1754. National Occupational Information Coordinating Committee
- 1755. Job bank program

NATIONAL COMMISSION FOR EMPLOYMENT POLICY

- 1771. Statement of purpose
- 1772. Commission established
- 1773. Functions of the Commission
- 1774. Administrative provisions
- 1775. Reports

TRAINING TO FULFILL AFFIRMATIVE ACTION OBLIGATIONS

- 1781. Affirmative action

§ 1501. Statement of purpose

It is the purpose of this Act to establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment.

(Act Oct. 13, 1982, P. L. 97-300, § 2, 96 Stat. 1322.)

HISTORY; ANCILLARY LAWS AND DIRECTIVES

References in text:

"This Act", referred to in this section, is Act Oct. 13, 1982, P. L. 97-300, 96 Stat 1322, which appears generally as 29 USCS §§ 1501 et seq., and is popularly known as the Job Training Partnership Act. For full classification of such Act, consult USCS Tables volumes.

Short titles:

Act Oct. 13, 1982, P. L. 97-300, § 1, 96 Stat. 1322 provides: "This Act may be cited as the Job Training Partnership Act". For full classification of such Act, consult USCS Tables volumes.

CODE OF FEDERAL REGULATIONS

29 CFR Parts 626-631, 632, 636, 684.

RESEARCH GUIDE

Federal Procedure L Ed:

42 Fed. Proc. L Ed §§ 11:581, 11:583.

Jur:

15 Am Jur 2d, Labor and Labor Relations § 2663.

Authorization of appropriations

We are authorized to be appropriated to carry out part A of title II [29 USCS § 1671 et seq.] and title IV [29 USCS §§ 1671 et seq.] (other than part B of such title [29 USCS §§ 1691 et seq.]) such sums as may be necessary for fiscal year 1983 and for each succeeding fiscal year.

Of the amount appropriated pursuant to paragraph (1) for any fiscal year, an amount not to more than 7 percent of the total amount appropriated pursuant to paragraph (1) shall be available to carry out parts A [29 USCS §§ 1671 et seq.] C, D, E, F, and G of title IV [29 USCS §§ 1721 et seq.],

and an amount to reserved under paragraph (2)—

Of the amount so reserved under paragraph (2)—

- 10 percent shall be available for part C of title IV, [29 USCS §§ 1721 et seq.], and
- \$10,000,000 shall be available for part F of title IV [29 USCS §§ 1771 et seq.].

Such sums as may be necessary for fiscal year 1983 and for each succeeding fiscal year shall be appropriated to carry out part B of title II [29 USCS §§ 1631 et seq.]

(c) There are authorized to be appropriated to carry out title III [29 USCS §§ 1651 et seq.] such sums as may be necessary for fiscal year 1983 and for each succeeding fiscal year.

(d) There are authorized to be appropriated \$618,000,000 for fiscal year 1983, and such sums as may be necessary for each succeeding fiscal year, to carry out part B of title IV of this Act [29 USCS §§ 1691 et seq.].

(e) The authorizations of appropriations contained in this section are subject to the program year provisions of section 161 [29 USCS § 1571].

(Oct. 13, 1982, P. L. 97-300, § 3, 96 Stat. 1324.)

§ 1503. Definitions

For the purposes of this Act, the following definitions apply:

(1) The term "academic credit" means credit for education, training, or work experience applicable toward a secondary school diploma, a postsecondary degree, or an accredited certificate of completion, consistent with applicable State law and regulation and the requirements of an accredited educational agency or institution in a State.

(2) The term "administrative entity" means the entity designated to administer a job training plan under section 103(b)(1)(B) [29 USCS § 1513(b)(1)(B)].

(3) The term "area of substantial unemployment" means any area of sufficient size and scope to sustain a program under part A of title II of this Act [29 USCS §§ 1511 et seq.] and which has an average rate of unemployment of at least 6.5 percent for the most recent twelve months as determined by the Secretary. Determinations of areas of substantial unemployment shall be made once each fiscal year.

(4) The term "chief elected official" includes—

(A) in the case of a State, the Governor;

(B) in the District of Columbia, the mayor; and

(C) in the case of a service delivery area designated under section 101(a)(4)(A)(iii) [29 USCS § 1511(a)(4)(A)(iii)], the governing body.

(5) The term "community-based organizations" means private nonprofit organizations which are representative of communities or significant segments of communities and which provide job training services (for example, Opportunities Industrialization Centers, the National Urban League, SER-Jobs for Progress, United Way of America, Mainstream, the National Puerto Rican Forum, National Council of La Raza, 70,001, Jobs for Youth, organizations operating career intern programs, neighborhood groups and organizations, community action agencies, community development corporations, vocational rehabilitation organizations, rehabilitation facilities (as defined in section 7(10) of the Rehabilitation Act of 1973 [29 USCS § 706]), agencies serving youth, agencies serving the handicapped, agencies serving displaced homemakers, union-related organizations, and employer-related nonprofit organizations), and organizations serving nonreservation Indians (including the National Urban Indian Council), as well as tribal governments and Native Alaskan groups.

(6) Except as otherwise provided therein, the term "council" means the private industry council established under section 102 [29 USCS § 1512].

(7) The term "economic development agencies" includes local planning and zoning commissions or boards, community development agencies, and other local agencies and institutions responsible for regulating, promoting, or assisting in local economic development.

(8) The term "economically disadvantaged" means an individual who (A) receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program; (B) has, or is a member of a family which has, received a total family income for the six-month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of (i) the poverty level determined in accordance with criteria established by the Director of the Office of Management and Budget, or (ii) 70 percent of the lower living standard income level; (C) is receiving food stamps pursuant to the Food Stamp Act of 1977; (D) is a foster child on behalf of whom State or local government payments are made; or (E) in cases permitted by regulations of the Secretary, is an adult handicapped individual whose own income meets the requirements of clause (A) or (B), but who is a member of a family whose income does not meet such requirements.

(9) The term "Governor" means the chief executive of any State.

(10) The term "handicapped individual" means any individual who has a physical or mental disability which for such individual constitutes or results in a substantial handicap to employment.

- (11) The term "Hawaiian native" means any individual any of whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.
- (12) The term "institution of higher education" means any institution of higher education as that term is defined in section 1201(a) of the Higher Education Act of 1965 [20 USCS § 1141(a)].
- (13) The term "labor market area" means an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence. Such areas shall be identified in accordance with criteria used by the Bureau of Labor Statistics of the Department of Labor in defining such areas or similar criteria established by a Governor.
- (14) The term "local educational agency" means such an agency as defined in section 4(15) [§ 521(19)] of the Carl D. Perkins Vocational Education Act [20 USCS § 2471(19)].
- (15) The term "low-income level" means \$7,000 with respect to income in 1969, and for any later year means that amount which bears the same relationship to \$7,000 as the Consumer Price Index for that year bears to the Consumer Price Index for 1969, rounded to the nearest \$1,000.
- (16) The term "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary based on the most recent "lower living family budget" issued by the Secretary.
- (17) The term "offender" means any adult or juvenile who is or has been subject to any stage of the criminal justice process for whom services under this Act may be beneficial or who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.
- (18) The term "postsecondary institution" means an institution of higher education as that term is defined in section 481(a)(1) of the Higher Education Act of 1965 [20 USCS § 1088(a)(1)].
- (19) The term "private sector" means, for purposes of the State job training councils and private industry councils, persons who are owners, chief executives or chief operating officers of private for-profit employers and major nongovernmental employers, such as health and educational institutions or other executives of such employers who have substantial management or policy responsibility.
- (20) The term "public assistance" means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test.
- (21) The term "Secretary" means the Secretary of Labor.
- (22) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, American Samoa, and the Trust Territory of the Pacific Islands.
- (23) The term "State educational agency" means such an agency as defined in section 1201(h) of the Higher Education Act of 1965 [20 USCS § 1141(h)].
- (24) The term "supportive services" means services which are necessary to enable an individual eligible for training under this Act, but who cannot afford to pay for such services, to participate in a training program funded under this Act. Such supportive services may include transportation, health care, special services and materials for the handicapped, child care, meals, temporary shelter, financial counseling, and other reasonable expenses required for participation in the training program and may be provided in-kind or through cash assistance.
- (25) The term "unemployed individuals" means individuals who are without jobs and who want and are available for work. The determination of whether individuals are without jobs shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed.
- (26) The term "unit of general local government" means any general purpose political subdivision of a State which has the power to levy taxes and spend funds, as well as general corporate and police powers.
- (27)(A) The term "veteran" means an individual who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.
- (B) The term "disabled veteran" means (i) a veteran who is entitled to compensation under laws administered by the Veterans' Administration, or (ii) an individual who was discharged or released from active duty because of service-connected disability.
- (28) The term "vocational education" has the meaning provided in section 521(31) of the Carl D. Perkins Vocational Education Act [20 USCS § 2471(31)].

(Oct. 13, 1982, P. L. 97-300, § 4, 96 Stat. 1325; Oct. 19, 1984, P. L. 98-524, § 4(a)(1), 98 Stat. 2487.)

HISTORY; ANCILLARY LAWS AND DIRECTIVES

References in text:

"This Act", referred to in this section, is Act Oct. 13, 1982, P. L. 97-300, 96 Stat. 1322, which appears generally as 29 USCS §§ 1501 et seq., and is popularly known as the Job Training Partnership Act. For full classification of such Act, consult USCS Tables volumes.

"The Food Stamp Act of 1977", referred to in this section, is Act Sept. 29, 1977, P. L. 95-113, 91 Stat. 913, which appears generally as 7 USCS §§ 1281 et seq. For full classification of such Act, consult USCS Tables volumes.

Explanatory notes:

"521(19)" is inserted in brackets in para. (14) to denote the probable intent of Congress to refer to this section, inasmuch as there is no section 4(15) of the Carl D. Perkins Vocational Education Act.

Amendments:

1984. Act Oct. 19, 1984, in para. (14), substituted "section 4(15) of the Carl D. Perkins Vocational Education Act" for "section 195(10) of the Vocational Education Act of 1963"; in para. (23), substituted "section 120(h) of the Higher Education Act of 1965" for "section 195(11) of the Vocational Education Act of 1963"; and in para. (28), substituted "section 521(31) of the Carl D. Perkins Vocational Education Act" for "section 195(1) of the Vocational Education Act of 1963".

Other provisions:

Application and effective date of Act Oct. 19, 1984 amendments. For the provisions as to the application and effective date of the Oct. 19, 1984 amendments, see Act Oct. 19, 1984; P. L. 98-524, § 2, 98 Stat. 2486, which appears as 20 USCS § 2301 note.

§ 1504. Enforcement of Military Selective Service Act

The Secretary shall insure that each individual participating in any program established under this Act, or receiving any assistance or benefit under this Act, has not violated section 453 of the Military Selective Service Act (50 U.S.C. App. 453) [50 USCS Appx § 453] by not registering and submitting to registration as required pursuant to such section [50 USCS Appx § 453]. The Director of the Selective Service System shall cooperate with the Secretary in carrying out this section.

(Oct. 13, 1982, P. L. 97-300, Title V, § 504, 96 Stat. 1399.)

HISTORY; ANCILLARY LAWS AND DIRECTIVES

References in text:

"This Act", referred to in this section, is Act Oct. 13, 1982, P. L. 97-300, 96 Stat. 1322, which appears generally as 29 USCS §§ 1501 et seq., and is popularly known as the Job Training Partnership Act. For full classification of such Act, consult USCS Tables volumes.

JOB TRAINING PARTNERSHIP

SERVICE DELIVERY SYSTEM

§ 1511. Establishment of service delivery areas

(a)(1) The Governor shall, after receiving the proposal of the State job training coordinating council, publish a proposed designation of service delivery areas for the State each of which—

- (A) is comprised of the State or one or more units of general local government;
- (B) will promote effective delivery of job training services; and
- (C)(i) is consistent with labor market areas or standard metropolitan statistical areas, but this clause shall not be construed to require designation of an entire labor market area; or
- (ii) is consistent with areas in which related services are provided under other State or Federal programs.

(2) The Council shall include in its proposal a written explanation of the reasons for designating each service delivery area.

(3) Units of general local government (and combinations thereof), business organizations, other affected persons or organizations shall be given an opportunity to comment on proposed designation of service delivery areas and to request revisions thereof.

(A) The Governor shall approve any request to be a service delivery area from—

- (i) any unit of general local government with a population of 200,000 or more;
- (ii) any consortium of contiguous units of general local government with an

aggregate population of 200,000 or more which serves a substantial part of a labor market area; and

(iii) any concentrated employment program grantee for a rural area which served as a prime sponsor under the Comprehensive Employment and Training Act.

(B) The Governor may approve a request to be a service delivery area from any unit of general local government or consortium of contiguous units of general local government, without regard to population, which serves a substantial portion of a labor market area.

(C) If the Governor denies a request submitted under subparagraph (A) and the entity making such request alleges that the decision of the Governor is contrary to the provisions of this section, such entity may appeal the decision to the Secretary, who shall make a final decision within 30 days after such appeal is received.

(b) The Governor shall make a final designation of service delivery areas within the State. Before making a final designation of service delivery areas for the State, the Governor shall review the comments submitted under subsection (a)(3) and requests submitted under subsection (a)(4).

(c)(1) In accordance with subsection (a), the Governor may redesignate service delivery areas no more frequently than every two years. Such redesignations shall be made not later than 4 months before the beginning of a program year.

(2) Subject to paragraph (1), the Governor shall make such a redesignation if a petition to do so is filed by an entity specified in subsection (a)(4)(A).

(3) The provisions of this subsection are subject to section 105(c) [29 USCS § 1515(c)].

(Oct. 13, 1982, P. L. 97-300, Title I, Part A, § 101, 96 Stat. 1327.)

HISTORY; ANCILLARY LAWS AND DIRECTIVES

References in text:

"The Comprehensive Employment and Training Act", referred to in this section, is Act Dec. 28, 1973, P. L. 93-203, 87 Stat. 839, and formerly appeared as 29 USCS §§ 801 et seq. Such Act was repealed by Act Oct. 13, 1982, P. L. 97-300, 96 Stat. 1322, Title I, § 184, 96 Stat. 1357, which Act also enacted this section.

CODE OF FEDERAL REGULATIONS

Add:
20 CFR Parts 626-631.

INTERPRETIVE NOTES AND DECISIONS

County meeting population requirement is "unit of local government" under 29 USCS § 1511(a)(4)(A). *Consortium of Rockingham & Strafford Counties v United States Dept. of Labor* (1983, CA1) 722 F2d 888.

Multicounty consortia is precluded from claiming compulsory SDA designation unless Governor determines they extend over more than one labor market area. *Consortium of Rockingham & Strafford Counties v United States Dept. of Labor* (1983, CA1) 722 F2d 888.

Plain meaning of 29 USCS § 1511(a)(4)(A) is that consortium of local governments must serve one but not more than one labor market area in order to be designated service delivery areas. *Romero-Barcelo v Donovan* (1983, CA1) 722 F2d 882.

Plain meaning of 29 USCS § 1511(a)(4)(A) is that consortium of local governments must serve one but not more than one labor market area in order to be designated service delivery areas. *Romero-Barcelo v Donovan* (1983, CA1) 722 F2d 882.

§ 1512. Establishment of private industry council

(a) There shall be a private industry council for every service delivery area established under section 101 [29 USCS § 1511], to be selected in accordance with this subsection. Each council shall consist of—

(1) representatives of the private sector, who shall constitute a majority of the membership of the council and who shall be owners of business concerns, chief executives or chief operating officers of nongovernmental employers, or other private sector executives who have substantial management or policy responsibility; and

(2) representatives of educational agencies (representative of all educational agencies in the service delivery area), organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public employment service.

(b) The Chairman of the council shall be selected from among members of the council who are representatives of the private sector.

(c)(1)(A) Private sector representatives on the council shall be selected from among individuals nominated by general purpose business organizations after consulting with, and receiving recommendations from, other business organizations in the service delivery area. The number of such nominations shall be at least 150 percent of the number of individuals to be appointed under subsection (a)(1). Such nominations, and the



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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CIRCULAR No. A-128

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Audits of State and Local Governments.

1. Purpose. This Circular is issued pursuant to the Single Audit Act of 1984, P.L. 98-502. It establishes audit requirements for State and local governments that receive Federal aid, and defines Federal responsibilities for implementing and monitoring those requirements.
2. Supersession. The Circular supersedes Attachment P, "Audit Requirements," of Circular A-102, "Uniform requirements for grants to State and local governments."
3. Background. The Single Audit Act builds upon earlier efforts to improve audits of Federal aid programs. The Act requires State or local governments that receive \$100,000 or more a year in Federal funds to have an audit made for that year. Section 7505 of the Act requires the Director of the Office of Management and Budget to prescribe policies, procedures and guidelines to implement the Act. It specifies that the Director shall designate "cognizant" Federal agencies, determine criteria for making appropriate charges to Federal programs for the cost of audits, and provide procedures to assure that small firms or firms owned and controlled by disadvantaged individuals have the opportunity to participate in contracts for single audits.
4. Policy. The Single Audit Act requires the following:
 - a. State or local governments that receive \$100,000 or more a year in Federal financial assistance shall have an audit made in accordance with this Circular.
 - b. State or local governments that receive between \$25,000 and \$100,000 a year shall have an audit made in accordance with this Circular, or in accordance with Federal laws and regulations governing the programs they participate in.
 - c. State or local governments that receive less than \$25,000 a year shall be exempt from compliance with the Act and other Federal audit requirements. These State and local governments shall be governed by audit requirements prescribed by State or local law or regulation.

d. Nothing in this paragraph exempts State or local governments from maintaining records of Federal financial assistance or from providing access to such records to Federal agencies, as provided for in Federal law or in Circular A-102, "Uniform requirements for grants to State or local governments."

5. Definitions. For the purposes of this Circular the following definitions from the Single Audit Act apply:

a. "Cognizant agency" means the Federal agency assigned by the Office of Management and Budget to carry out the responsibilities described in paragraph 11 of this Circular.

b. "Federal financial assistance" means assistance provided by a Federal agency in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations, but does not include direct Federal cash assistance to individuals. It includes awards received directly from Federal agencies, or indirectly through other units of State and local governments.

c. "Federal agency" has the same meaning as the term 'agency' in section 551(1) of Title 5, United States Code.

d. "Generally accepted accounting principles" has the meaning specified in the generally accepted government auditing standards.

e. "Generally accepted government auditing standards" means the Standards For Audit of Government Organizations, Programs, Activities, and Functions, developed by the Comptroller General, dated February 27, 1981.

f. "Independent auditor" means:

(1) a State or local government auditor who meets the independence standards specified in generally accepted government auditing standards; or

(2) a public accountant who meets such independence standards.

g. "Internal controls" means the plan of organization and methods and procedures adopted by management to ensure that:

(1) resource use is consistent with laws, regulations, and policies;

(2) resources are safeguarded against waste, loss, and misuse; and

(3) reliable data are obtained, maintained, and fairly disclosed in reports.

h. "Indian tribe" means any Indian tribe, band, nations, or other organized group or community, including any Alaskan Native village or regional or village corporations (as defined in, or established under, the Alaskan Native Claims Settlement Act) that is recognized by the United States as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

i. "Local government" means any unit of local government within a State, including a county, a borough, municipality, city, town, township, parish, local public authority, special district, school district, intrastate district, council of governments, and any other instrumentality of local government.

j. "Major Federal Assistance Program," as defined by P.L. 98-502, is described in the Attachment to this Circular.

k. "Public accountants" means those individuals who meet the qualification standards included in generally accepted government auditing standards for personnel performing government audits.

l. "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, any instrumentality thereof, and any multi-State, regional, or interstate entity that has governmental functions and any Indian tribe.

m. "Subrecipient" means any person or government department, agency, or establishment that receives Federal financial assistance to carry out a program through a State or local government, but does not include an individual that is a beneficiary of such a program. A subrecipient may also be a direct recipient of Federal financial assistance.

6. Scope of audit. The Single Audit Act provides that:

a. The audit shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial and compliance audits.

b. The audit shall cover the entire operations of a State or local government or, at the option of that government, it may cover departments, agencies or establishments that received, expended, or otherwise administered Federal financial assistance during the year. However, if a State or local government receives \$25,000 or more in General Revenue Sharing Funds in a fiscal year, it shall have an audit of its entire operations. A series of audits of individual departments, agencies, and establishments for the same fiscal year may be considered a single audit.

c. Public hospitals and public colleges and universities may be excluded from State and local audits and the requirements of this Circular. However, if such entities are excluded, audits of these entities shall be made in accordance with statutory requirements and the provisions of Circular A-110, "Uniform requirements for grants to universities, hospitals, and other nonprofit organizations."

d. The auditor shall determine whether:

(1) the financial statements of the government, department, agency or establishment present fairly its financial position and the results of its financial operations in accordance with generally accepted accounting principles;

(2) the organization has internal accounting and other control systems to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations; and

(3) the organization has complied with laws and regulations that may have material effect on its financial statements and on each major Federal assistance program.

7. Frequency of audit. Audits shall be made annually unless the State or local government has, by January 1, 1987, a constitutional or statutory requirement for less frequent audits. For those governments, the cognizant agency shall permit biennial audits, covering both years, if the government so requests. It shall also honor requests for biennial audits by governments that have an administrative policy calling for audits less frequent than annual, but only for fiscal years beginning before January 1, 1987.

8. Internal control and compliance reviews. The Single Audit Act requires that the independent auditor determine and report on whether the organization has internal control systems to provide reasonable assurance that it is managing Federal assistance programs in compliance with applicable laws and regulations.

a. Internal control review. In order to provide this assurance the auditor must make a study and evaluation of internal control systems used in administering Federal assistance programs. The study and evaluation must be made whether or not the auditor intends to place reliance on such systems. As part of this review, the auditor shall:

(1) Test whether these internal control systems are functioning in accordance with prescribed procedures.

(2) Examine the recipient's system for monitoring subrecipients and obtaining and acting on subrecipient audit reports.

b. Compliance review. The law also requires the auditor to determine whether the organization has complied with laws and regulations that may have a material effect on each major Federal assistance program.

(1) In order to determine which major programs are to be tested for compliance, State and local governments shall identify in their accounts all Federal funds received and expended and the programs under which they were received. This shall include funds received directly from Federal agencies and through other State and local governments.

(2) The review must include the selection and testing of a representative number of charges from each major Federal assistance program. The selection and testing of transactions shall be based on the auditor's professional judgment considering such factors as the amount of expenditures for the program and the individual awards; the newness of the program or changes in its conditions; prior experience with the program, particularly as revealed in audits and other evaluations (e.g., inspections, program reviews); the extent to which the program is carried out through subrecipients; the extent to which the program contracts for goods or services; the level to which the program is already subject to program reviews or other forms of independent oversight; the adequacy of the controls for ensuring compliance; the expectation of adherence or lack of adherence to the applicable laws and regulations; and the potential impact of adverse findings.

(a) In making the test of transactions, the auditor shall determine whether:

-- the amounts reported as expenditures were for allowable services, and

-- the records show that those who received services or benefits were eligible to receive them.

(b) In addition to transaction testing, the auditor shall determine whether:

-- matching requirements, levels of effort and earmarking limitations were met,

-- Federal financial reports and claims for advances and reimbursements contain information that is supported by the books and records from which the basic financial statements have been prepared, and

-- amounts claimed or used for matching were determined in accordance with OMB Circular A-87, "Cost principles for State and local governments," and Attachment F of Circular A-102, "Uniform requirements for grants to State and local governments."

(c) The principal compliance requirements of the largest Federal aid programs may be ascertained by referring to the Compliance Supplement for Single Audits of State and Local Governments, issued by OMB and available from the Government Printing Office. For those programs not covered in the Compliance Supplement, the auditor may ascertain compliance requirements by researching the statutes, regulations, and agreements governing individual programs.

(3) Transactions related to other Federal assistance programs that are selected in connection with examinations of financial statements and evaluations of internal controls shall be tested for compliance with Federal laws and regulations that apply to such transactions.

9. Subrecipients. State or local governments that receive Federal financial assistance and provide \$25,000 or more of it in a fiscal year to a subrecipient shall:

a. determine whether State or local subrecipients have met the audit requirements of this Circular and whether subrecipients covered by Circular A-110, "Uniform requirements for grants to universities, hospitals, and other nonprofit organizations," have met that requirement;

b. determine whether the subrecipient spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subrecipient made in accordance with this Circular, Circular A-110, or through other means (e.g., program reviews) if the subrecipient has not yet had such an audit;

c. ensure that appropriate corrective action is taken within six months after receipt of the audit report in instances of noncompliance with Federal laws and regulations;

d. consider whether subrecipient audits necessitate adjustment of the recipient's own records; and

e. require each subrecipient to permit independent auditors to have access to the records and financial statements as necessary to comply with this Circular.

10. Relation to other audit requirements. The Single Audit Act provides that an audit made in accordance with this Circular shall be in lieu of any financial or financial compliance audit required under individual Federal assistance programs. To the extent that a single audit provides Federal agencies with information and assurances they need to carry out their overall responsibilities, they shall rely upon and use such information. However, a Federal agency shall make any additional audits which are necessary to carry out its responsibilities under Federal law and regulation. Any additional Federal audit effort shall be planned and carried out in such a way as to avoid duplication.

a. The provisions of this Circular do not limit the authority of Federal agencies to make, or contract for audits and evaluations of Federal financial assistance programs, nor do they limit the authority of any Federal agency Inspector General or other Federal audit official.

b. The provisions of this Circular do not authorize any State or local government or subrecipient thereof to constrain Federal agencies, in any manner, from carrying out additional audits.

c. A Federal agency that makes or contracts for audits in addition to the audits made by recipients pursuant to this Circular shall, consistent with other applicable laws and regulations, arrange for funding the cost of such additional audits. Such additional audits include economy and efficiency audits, program results audits, and program evaluations.

11. Cognizant agency responsibilities. The Single Audit Act provides for cognizant Federal agencies to oversee the implementation of this Circular.

a. The Office of Management and Budget will assign cognizant agencies for States and their subdivisions and larger local governments and their subdivisions. Other Federal agencies may participate with an assigned cognizant agency, in order to fulfill the cognizance responsibilities. Smaller governments not assigned a cognizant agency will be under the general oversight of the Federal agency that provides them the most funds whether directly or indirectly.

b. A cognizant agency shall have the following responsibilities:

(1) Ensure that audits are made and reports are received in a timely manner and in accordance with the requirements of this Circular.

(2) Provide technical advice and liaison to State and local governments and independent auditors.

(3) Obtain or make quality control reviews of selected audits made by non-Federal audit organizations, and provide the results, when appropriate, to other interested organizations.

(4) Promptly inform other affected Federal agencies and appropriate Federal law enforcement officials of any reported illegal acts or irregularities. They should also inform State or local law enforcement and prosecuting authorities, if not advised by the recipient, of any violation of law within their jurisdiction.

(5) Advise the recipient of audits that have been found not to have met the requirements set forth in this Circular. In such instances, the recipient will be expected to work with the auditor to take corrective action. If corrective action is not taken, the cognizant agency shall notify the recipient and Federal awarding agencies of the facts and make recommendations for followup action. Major inadequacies or repetitive substandard performance of independent auditors shall be referred to appropriate professional bodies for disciplinary action.

(6) Coordinate, to the extent practicable, audits made by or for Federal agencies that are in addition to the audits made pursuant to this Circular; so that the additional audits build upon such audits.

(7) Oversee the resolution of audit findings that affect the programs of more than one agency.

12. Illegal acts or irregularities. If the auditor becomes aware of illegal acts or other irregularities, prompt notice shall be given to recipient management officials above the level of involvement. (See also paragraph 13(a)(3) below for the auditor's reporting responsibilities.) The recipient, in turn, shall promptly notify the cognizant agency of the illegal acts or irregularities and of proposed and actual actions, if any. Illegal acts and irregularities include such matters as conflicts of interest, falsification of records or reports, and misappropriations of funds or other assets.

13. Audit Reports. Audit reports must be prepared at the completion of the audit. Reports serve many needs of State and local governments as well as meeting the requirements of the Single Audit Act.

a. The audit report shall state that the audit was made in accordance with the provisions of this Circular. The report shall be made up of at least:

(1) The auditor's report on financial statements and on a schedule of Federal assistance; the financial statements; and a schedule of Federal assistance, showing the total expenditures for

each Federal assistance program as identified in the Catalog of Federal Domestic Assistance. Federal programs or grants that have not been assigned a catalog number shall be identified under the caption "other Federal assistance."

(2) The auditor's report on the study and evaluation of internal control systems must identify the organization's significant internal accounting controls, and those controls designed to provide reasonable assurance that Federal programs are being managed in compliance with laws and regulations. It must also identify the controls that were evaluated, the controls that were not evaluated, and the material weaknesses identified as a result of the evaluation.

(3) The auditor's report on compliance containing:

-- a statement of positive assurance with respect to those items tested for compliance, including compliance with law and regulations pertaining to financial reports and claims for advances and reimbursements;

-- negative assurance on those items not tested;

-- a summary of all instances of noncompliance; and

-- an identification of total amounts questioned, if any, for each Federal assistance award, as a result of noncompliance.

b. The three parts of the audit report may be bound into a single report, or presented at the same time as separate documents.

c. All fraud abuse, or illegal acts or indications of such acts, including all questioned costs found as the result of these acts that auditors become aware of, should normally be covered in a separate written report submitted in accordance with paragraph 13f.

d. In addition to the audit report, the recipient shall provide comments on the findings and recommendations in the report, including a plan for corrective action taken or planned and comments on the status of corrective action taken on prior findings. If corrective action is not necessary, a statement describing the reason it is not should accompany the audit report.

e. The reports shall be made available by the State or local government for public inspection within 30 days after the completion of the audit.

f. In accordance with generally accepted government audit standards, reports shall be submitted by the auditor to the organization audited and to those requiring or arranging for the audit. In addition, the recipient shall submit copies of the reports to each Federal department or agency that provided Federal assistance funds to the recipient. Subrecipients shall submit copies to recipients that provided them Federal assistance funds. The reports shall be sent within 30 days after the completion of the audit, but no later than one year after the end of the audit period unless a longer period is agreed to with the cognizant agency.

g. Recipients of more than \$100,000 in Federal funds shall submit one copy of the audit report within 30 days after issuance to a central clearinghouse to be designated by the Office of Management and Budget. The clearinghouse will keep completed audits on file and follow up with State and local governments that have not submitted required audit reports.

h. Recipients shall keep audit reports on file for three years from their issuance.

14. Audit Resolution. As provided in paragraph 11, the cognizant agency shall be responsible for monitoring the resolution of audit findings that affect the programs of more than one Federal agency. Resolution of findings that relate to the programs of a single Federal agency will be the responsibility of the recipient and that agency. Alternate arrangements may be made on a case-by-case basis by agreement among the agencies concerned.

Resolution shall be made within six months after receipt of the report by the Federal departments and agencies. Corrective action should proceed as rapidly as possible.

15. Audit workpapers and reports. Workpapers and reports shall be retained for a minimum of three years from the date of the audit report, unless the auditor is notified in writing by the cognizant agency to extend the retention period. Audit workpapers shall be made available upon request to the cognizant agency or its designee or the General Accounting Office, at the completion of the audit.

16. Audit Costs. The cost of audits made in accordance with the provisions of this Circular are allowable charges to Federal assistance programs.

a. The charges may be considered a direct cost or an allocated indirect cost, determined in accordance with the provision of Circular A-87, "Cost principles for State and local governments."

b. Generally, the percentage of costs charged to Federal assistance programs for a single audit shall not exceed the percentage that Federal funds expended represent of total funds expended by the recipient during the fiscal year. The percentage may be exceeded, however, if appropriate documentation demonstrates higher actual cost.

17. Sanctions. The Single Audit Act provides that no cost may be charged to Federal assistance programs for audits required by the Act that are not made in accordance with this Circular. In cases of continued inability or unwillingness to have a proper audit, Federal agencies must consider other appropriate sanctions including:

-- withholding a percentage of assistance payments until the audit is completed satisfactorily,

- withholding or disallowing overhead costs, and
- suspending the Federal assistance agreement until the audit is made.

18. Auditor Selection. In arranging for audit services State and local governments shall follow the procurement standards prescribed by Attachment O of Circular A-102, "Uniform requirements for grants to State and local governments." The standards provide that while recipients are encouraged to enter into intergovernmental agreements for audit and other services, analysis should be made to determine whether it would be more economical to purchase the services from private firms. In instances where use of such intergovernmental agreements are required by State statutes (e.g., audit services) these statutes will take precedence.

19. Small and Minority Audit Firms. Small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in contracts awarded to fulfill the requirements of this Circular. Recipients of Federal assistance shall take the following steps to further this goal:

a. Assure that small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals are used to the fullest extent practicable.

b. Make information on forthcoming opportunities available and arrange timeframes for the audit so as to encourage and facilitate participation by small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.

c. Consider in the contract process whether firms competing for larger audits intend to subcontract with small audit firms and audit firms owned and controlled by socially and economically disadvantaged individuals.

d. Encourage contracting with small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals which have traditionally audited government programs and, in such cases where this is not possible, assure that these firms are given consideration for audit subcontracting opportunities.

e. Encourage contracting with consortiums of small audit firms as described in paragraph (a) above when a contract is too large for an individual small audit firm or audit firm owned and controlled by socially and economically disadvantaged individuals.

f. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration in the solicitation and utilization of small audit firms or audit firms owned and controlled by socially and economically disadvantaged individuals.

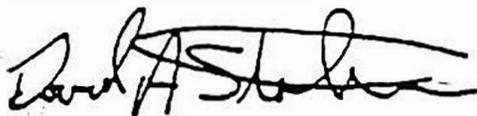
20. Reporting. Each Federal agency will report to the Director of OMB on or before March 1, 1987, and annually thereafter on the effectiveness of State and local governments in carrying out the provisions of this Circular. The report must identify each State or local government or Indian tribe that, in the opinion of the agency, is failing to comply with the Circular.

21. Regulations. Each Federal agency shall include the provisions of this Circular in its regulations implementing the Single Audit Act.

22. Effective date. This Circular is effective upon publication and shall apply to fiscal years of State and local governments that begin after December 31, 1984. Earlier implementation is encouraged. However, until it is implemented, the audit provisions of Attachment P to Circular A-102 shall continue to be observed.

23. Inquiries. All questions or inquiries should be addressed to Financial Management Division, Office of Management and Budget, telephone number 202/395-3993.

24. Sunset review date. This Circular shall have an independent policy review to ascertain its effectiveness three years from the date of issuance.



David A. Stockman
Director

Definition of Major Program as Provided
in P.L. 98-502

"Major Federal Assistance Program," for State and local governments having Federal assistance expenditures between \$100,000 and \$100,000,000, means any program for which Federal expenditures during the applicable year exceed the larger of \$300,000, or 3 percent of such total expenditures.

Where total expenditures of Federal assistance exceed \$100,000,000, the following criteria apply:

<u>Total Expenditures of</u> <u>Federal Financial Assistance</u> <u>for All Programs</u>		<u>Major Federal</u> <u>Assistance Program</u> <u>Means any Program</u> <u>That Exceeds</u>
<u>more than</u>	<u>but less than</u>	
\$100 million	1 billion	\$ 3 million
1 billion	2 billion	4 million
2 billion	3 billion	7 million
3 billion	4 billion	10 million
4 billion	5 billion	13 million
5 billion	6 billion	16 million
6 billion	7 billion	19 million
over 7 billion		20 million



General Services Administration
Federal Supply Service
Washington, DC 20406

JFBY

JAN 29 1993

MEMORANDUM FOR DIRECTORS, FEDERAL SUPPLY SERVICE BUREAUS
2FB 3FB 3FB-W 4FB 5FB 6FB 7FB
9FB 9FB-10

DIRECTORS, STATE AGENCIES FOR SURPLUS PROPERTY
(SASP'S)

FROM:

LESTER D. GRAY, JR. *Lester D. Gray, Jr.*
DIRECTOR
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT:

Implementation of Inspector General Audit
Action Items Concerning OMB Circular A-128

On September 3, 1992, the GSA Inspector General (IG) issued GSA Final Report "Audit of the Effectiveness of FSS in Monitoring Donated Property." Since that time, this office has been taking action to implement initiatives and procedures necessary to improve oversight of the donation program. The purpose of this memorandum is to communicate certain findings, recommendations and corrective actions concerning OMB Circular A-128 necessary to implement our time-phased action plan.

Generally, the audit found that many States had not performed a review of the donation program and cited as a major factor the lack of knowledge by GSA and the States of the requirements of Circular A-128 in relation to the State agencies. Tighter control and review of State agencies, by ensuring these audits occur, could help reduce potential violations of the donation program regulations, requirements and restrictions.

The audit recommended that GSA take more aggressive action to assure that the States comply with the requirements of OMB Circular A-128. Specifically, the action would include: obtaining a thorough understanding of the requirements of OMB Circular A-128 and the Donation Supplement to that Circular; annually determining to which States the requirements are applicable, obtaining copies of these audit reports, and assuring that the donation area has been covered; and ensuring that any recommendations relative to the donation program are implemented as quickly as possible.

MAR 1 - 1993

FEB 19 1993

As part of our action plan, we are trying to raise awareness of the requirements of Circular A-128. To that end, we will be providing program information to each cognizant Federal agency and all the State auditors. We will also be submitting an article to the NASASP newsletter addressing Circular A-128's impact on the donation program.

While we hope this outreach effort will increase awareness of the donation program, we also wanted to take this opportunity to address how Circular A-128 impacts the donation program and to reiterate existing requirements as stated in the Federal Property Management Regulations (FPMR) and the Donation Handbook. In a nutshell, Circular A-128 establishes audit requirements for State and local governments that receive \$100,000 or more a year in Federal financial assistance and defines Federal responsibilities for implementing and monitoring those requirements. The Single Audit Act and Circular A-128 specifically enumerate property as a form of Federal financial assistance. The donation program is covered under Circular A-128 because it provides Federal financial assistance in the form of property both directly to States for State use and indirectly to other units of State and local governments and nonprofit organizations through the States. The Circular also requires that States providing \$25,000 or more to subrecipients (SASP "donees") determine if those subrecipients have met audit requirements. For auditing purposes, the individual States are considered the recipients, and all States exceed the \$100,000 threshold. * ** How?

At the Federal level, the Departments of Labor, Transportation, Education, Health and Human Services, Housing and Urban Development, and Agriculture have been assigned cognizant agency status to oversee implementation of the Circular. This means that Federal auditing experts in a particular cognizant agency are responsible for maintaining an in-depth knowledge of Circular requirements and the States they are cognizant for. With few exceptions, each of these Federal agencies has state-wide cognizant agency responsibilities in multiple States. This activity is discussed in greater detail in the text of the Circular. Even though GSA is not a cognizant agency, our oversight responsibilities for the donation program include that we ensure our recipients (the States) adhere to Federal audit requirements.

The primary burden for conducting Circular A-128 audits falls on the States and their auditors; the States either contract for the service with an independent public accountant or use in-house audit staff that meet the independence standards specified in the generally accepted government auditing standards. To aid auditors in their understanding and auditing of Federal financial assistance programs, OMB publishes the Compliance Supplement for

Single Audits of State and Local Governments. Included in this publication is a brief synopsis of the donation program, compliance requirements, and suggested audit procedures. Additional general guidance is provided to States and the auditing community by OMB, the President's Council on Integrity and Efficiency, and the American Institute of Certified Public Accountants.

The degree to which the State agencies are audited depends upon several determinations made by the auditor and varies by State. On a State-wide random basis of all programs receiving Federal financial assistance, the auditor may select several transactions made by the State agency; these transactions will be examined for financial and programmatic adherence. However, the auditor is required to conduct an in-depth audit of the entire State agency program if it is deemed a Major Federal Assistance Program; this too varies by State and is based on the dollar value of property the State agency receives as a percentage of total Federal financial assistance the State receives for all programs (see the circular for exact figures).

In most States the donation program will not receive an in-depth audit because it is not a Major Federal Assistance Program. Despite this, the auditor is required to enumerate all instances of Federal assistance received, including the donation program, in a combined schedule of Federal financial assistance. This format identifies how much assistance was received for each program as listed in the Catalogue of Federal Domestic Assistance (CFDA); the CFDA number for the donation program is 39.003. The schedule reflects the total original acquisition cost of property transferred to the State during the State's fiscal year.

Each year State agencies need to provide GSA with the audit report page that identifies the donation program, number 39.003, as being included in the Total Federal Financial Assistance figure. Regardless of how much property a State receives during the audit period, this step verifies that the auditor is aware of the program's existence. The FPMR, at 41 CFR 101-44.202(c)(12), and the Donation Handbook, at Chapter 2, paragraph 14.b., require that State agencies provide the appropriate GSA regional office with two copies of any portion of an audit report made pursuant to Circular A-128 that pertains to the donation program. It also requires that an outline of the corrective actions and scheduled completion dates for these actions accompany the report.

Chapter 2, paragraph 14, also instructs the regional offices to furnish Central Office with a copy of pertinent portions of each report and all related correspondence. When corrective actions have been accomplished, the regional office must notify Central

Office and provide copies of all supporting documentation. If the regional office determines that the State agency has not corrected deficiencies or violations in a timely way, the handbook states that action shall be taken, including working with State officials who supervise the State agent, to correct such nonconformance or to suspend the allocation and transfer of property to the State.

Beginning this month, this office will be closely monitoring the receipt of audits and tracking corrective action for each State. State agencies are encouraged to work closely with their State Auditor's office. However, this office is also available to provide additional guidance.

QUESTIONS AND ANSWERS

On

OMB Circular A-133

*(Audits of Institutions of Higher Education
and Other Nonprofit Institutions)*



May 1992

OMB Position Statement No. 6
President's Council on Integrity & Efficiency
1992

Any interest subsidy or administrative cost allowance received under a Federal loan or loan guarantee program should be included in the Schedule.²²

- Federal non-cash assistance such as free rent, interest subsidies, food stamps, food commodities, WIC program vouchers, or donated property should be shown in either the Schedule or footnotes and valued at fair market value at the time of receipt. WIC program vouchers may be valued at either maximum allowed redemption value or average redeemed value.
- Federal funds passed through from other recipients should be identified as pass-through funds and include the name of the awarding organization, the program identifying number, and the CFDA number.
- As a general rule, the more detailed the listing of programs in the Schedule, the fewer the follow-up calls from Federal agencies to identify the programs audited.
- While not required, it is recommended that where feasible, the not-for-profit provide additional requested information which will make the Schedule easier for Federal agencies to use. Examples are identification of matching funds, funds passed through to a subrecipient, individual grant numbers or amounts, and program income.

30. Audit Reporting Required by A-133

What audit reports are required to comply with an A-133 single audit?

An A-133 single audit requires the auditor to report on the following:

Financial

1. General purpose or basic financial statements ("Financial Statements").
2. Supplementary Schedule of Federal Awards (with auditor's opinion in relation to Financial Statements).

Internal Control

3. Entity-wide internal control matters based on the auditor's understanding of the internal control structure and the assessment of control risk, made as part of the financial statement audit. [*Yellow Book requirement*]
4. Internal controls (accounting and administrative) designed to provide reasonable assurance of compliance with laws and regulations applicable to Federal awards. [*A-133 requirement*]



General Services Administration
Federal Supply Service
Washington, DC 20406

OCT 11 1994

MEMORANDUM FOR DIRECTORS FEDERAL SUPPLY SERVICE BUREAU
2FB, 3FB, 3FB-W, 4FB, 5FB, 6FB, 7FB, 9FB, 9FB-10

FROM:

GRANT E. BEATTIE
ACTING DIRECTOR *Grant E. Beattie*
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT:

Single Audit Act Property Valuation

The purpose of this memorandum is to standardize procedures for determining the value of surplus property transferred to state agencies for surplus property (SASPs) or qualified donees for the purpose of the Single Audit Act as implemented by Office of Management and Budget Circular A-128.

The value of surplus property transferred for donation is currently measured in terms of original acquisition cost (OAC) because it is a benchmark value that is readily available to most holding activities. However, for various reasons, such as property condition and degrees of obsolescence, OAC generally does not represent the true value of property at the time it is transferred as surplus.

Individual SASPs and donees, under the provisions of the Single Audit Act, are audited on the basis of the value of surplus property received. The likelihood of an audit increases with increasing values of surplus property received. The National Association of State Agencies for Surplus Property (NASASP) believes that the SASPs and their donee recipient clients are being over audited to the extent that OAC significantly overestimates the true value of surplus property transferred. Both the NASASP and individual SASPs have petitioned GSA for authorization to estimate donation transfers at fair market value (FMV) in lieu of OAC.

GSA responded to the overwhelming requests for relief from the NASASP and its member SASPs by conducting a market basket survey of surplus property transferred for donation in fiscal year 1993. The market basket consisted of 100 items selected at random from the entire universe of over 230,000 donation transfers irrespective of condition code, Federal Supply Classification class, value of property and property location. From the survey it was determined that the average FMV of property donated was 23.3 percent of OAC.



General Services Administration
Federal Supply Service
Washington, DC 20406

OB
10-12-
Circulate
all 3 FBPP
specialists &
[Signature]

OCT 11 1994

Mr. Marquis J. Bolton
President, National Association
of State Agencies for Surplus Property
1910 Darbytown Road
Richmond, VA 23231

Dear Mr. Bolton:

In a July 25, 1994, letter, Mr. Walter A. Taylor, President of the National Association of State Agencies for Surplus Property (NASASP), advised that the NASASP adopted the 23.3 percent market basket survey value for single audit purposes only. Accordingly, we have developed procedures implementing the results of the market basket survey and provided them to our regions.

We have enclosed for your information and distribution among your SASP members a copy of the implementation memorandum to our regions. The memorandum transmits the results of the market basket survey and procedures for determining the value of surplus property transferred to state agencies for surplus property (SASPs) or qualified donees for the purpose of the Single Audit Act as implemented by Office of Management and Budget Circular A-128.

Sincerely,

[Handwritten Signature]
Grant E. Beattie
Acting Director
Property Management Division

Enclosure

- cc:
Mr. John D. Lipka, Jr., President, Area 1
Mr. William Wilson, President, Area 2
Mr. Paul G. Schwartz, President, Area 3
Mr. J. Randy Frost, President Area 4

In July during the 1994 NASASP annual convention, the Property Management Division presented the results of the market basket survey to both representatives of the GSA Property Management Program and the SASPs in Hershey, Pennsylvania. The FMV of 23.3 percent of OAC was accepted by the NASASP. It was then agreed that the Property Management Division should use the survey results to establish a standard procedure for determining the value of donated surplus property. GSA also indicated that the market basket survey results would be kept current by repeating the survey every five years.

* Accordingly, for purposes of the Single Audit Act, the FMV of surplus property transferred for donation by GSA to a particular SASP will be valued at 23.3 percent of its OAC. This change applies only to the Single Audit Act; it does not affect, in any way, existing requirements for inventory control and accountability, donation terms and conditions, compliance and utilization, or any other requirements. In addition, it is not to be used interchangeably with "fair market value" as defined in FPMR 101-43.001-8.

* For purposes of the Single Audit Act, the FMV of surplus property donated by the SASP to an individual donation recipient will also be valued at 23.3 percent of its OAC. If a donation recipient feels that the resulting FMV is too high and does not represent the true value of the property, the recipient may, at his/her own expense, substitute the results of an independent appraisal. All such appraisals shall be documented and made a part of the donee case file.

The disallowance of an independent appraisal, in lieu of the 23.3 percent, by individual SASPs does not represent a double standard. The average FMV obtained from the market basket survey is meant to be applied to large populations of transfers (as is the case with surplus transfers to individual SASPs). It may not accurately forecast the FMV of individual items (as with donations to individual donee recipients) since the value of these items may vary significantly from the mean value of the market basket universe.

Questions regarding the procedure for determining the FMV of surplus transfers for donation should be directed to Mr. Roman Marciniak of the Special Projects Branch (703) 305-7257.

CC: 2FBP-1, 7FBP-8



August 4, 2015

MEMORANDUM FOR DIRECTORS, STATE AGENCIES FOR SURPLUS PROPERTY

FROM:

DAVID ROBBINS

A handwritten signature in black ink, appearing to read "David Robbins", written over the printed name.

DIRECTOR

OFFICE OF PERSONAL PROPERTY MANAGEMENT

SUBJECT:

Fair Market Valuation (FMV) for Surplus Property for Single Audit Act Purposes

GSA last conducted a Market Basket study and provided the results to the State Agencies for Surplus Property (SASP), through the National Association for State Agencies for Surplus Property (NASASP), in Fiscal Year 2010. The purpose of the study is to establish a Fair Market Valuation (FMV) for surplus property received by states for purposes related to the Single Audit Act. The result of this study is expressed as percentage of Original Acquisition Cost (OAC). GSA recently conducted a review of data from years 2011 to 2014 and is pleased to provide an updated FMV.

This analysis determined the FMV of Surplus Property as 22.47%. GSA believes this number accurately reflects the value of all property donated. This FMV is not significantly different from the value calculated in 2010 (23.68%).

Under the provisions of the Single Audit Act, the FMV of surplus property is to be applied to yearly receipts of Federal Surplus property of both the State Agency for Surplus Property (SASP) and their individual donees. The FMV described here does not affect existing requirements for inventory control and accountability, donation terms and conditions, compliance and utilization, or any other requirements other than those of the Single Audit Act. In addition, it is not to be used interchangeably with "fair market value" as defined in Title 41 Code of Federal Regulations Part 102-36.40. Finally, as this is based on all donated property, it will no longer be referred to as a "Market Basket" study, but should be known as valuation for the Single Audit Act.

This letter serves to notify SASPs of this review and the resulting FMV. Application of this revised FMV is effective at the beginning of the federal fiscal year 2016, October 1, 2015. If you have any questions, please contact your local GSA Regional Property Division office.

<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

REQUIREMENTS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Ensure the state accounts for the Federal Surplus Property Program and is compliant with the Single Audit Act.
<input type="checkbox"/>	Ensure the Federal surplus program is audited as required by the agency's state plan.
<input type="checkbox"/>	Provide responsible state management officials and state offices with written notification of the appropriate audit requirements as stipulated in the agency's state plan.
<input type="checkbox"/>	Submit a copy of any required audit report to GSA within 30 days of receipt of the final copy.
<input type="checkbox"/>	Ensure that all recommendations noted in any state audit(s) are implemented to prevent such problems from occurring.
<input type="checkbox"/>	Update state plan to reflect the state auditor's interpretation of the frequency for which the audits should be performed as required by state and Federal law.
<input type="checkbox"/>	Since it appears that the same type(s) of problems have re-occurred since the last GSA state agency review, implement sufficient controls to ensure that the agency fully implements its corrective action plans, so that similar findings or problems do not re-surface during the next GSA review.
<input type="checkbox"/>	Other

RECOMMENDATIONS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Assign the responsibility of coordinating and documenting the state agency for surplus property program's responses (action plans) to state audit reports and GSA state review reports to one individual.
<input type="checkbox"/>	Other

I. COOPERATIVE AGREEMENTS

References: FMR 102-37.205, 265, 270, 290, 305, 325-340 and Appendix B (m); Donation Handbook, Ch. 2, para. 6, 13d (5)(a)(xii)

QUESTIONS:

1. For what purposes has the SASP entered into cooperative agreements?

<input type="checkbox"/>	Obtaining Federal surplus for agency use.
<input type="checkbox"/>	Selling nondonable property with GSA's assistance.
<input type="checkbox"/>	Sharing donees with another SASP.
<input type="checkbox"/>	Warehousing Federal excess.
<input type="checkbox"/>	Other

2. If the SASP has an agreement to warehouse Federal excess, is it being utilized?

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
<input type="checkbox"/>	Other

Note: If the agency does not have a cooperative agreement to use property or has a cooperative agreement to use property, but is not using property, proceed to question #6.

3. If the SASP has an agreement to utilize surplus for state agency use, is the agency using property?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

4. If the agency is utilizing surplus, has a listing been forwarded to GSA for approval?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

5. Are the items reasonable for agency use?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

6. If the SASP has an agreement to sell nondonable property with GSA's assistance, is it being utilized?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

7. Have any sales with GSA's assistance taken place since the last review?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

8. If yes, please complete the GSA Sales Summary (See Attachment F). List the total number of each type of sale, the number of items sold and the amount reimbursed to the SASP:

Type of sale	# of lots sold	Amount SASP Reimbursement
Live Auction		
GSA Auctions		
Sealed Bid		
Other		

9. If the state agency is donating property to Small Business Administration (SBA) 8(a) contractors, has it executed the required Memorandum of Agreement (MOA) with GSA and SBA?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

REQUIREMENTS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Maintain a separate listing of all property selected for Federal program use and provide a copy to GSA for approval prior to use.
<input type="checkbox"/>	All requests of property for Federal program use must be provided to the appropriate regional office for approval prior to use.
<input type="checkbox"/>	Execute the required MOA with GSA and SBA.
<input type="checkbox"/>	Other <input type="text"/>

RECOMMENDATIONS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Maintain a separate listing of all property selected for Federal program use and provide a copy to GSA for approval prior to use.
<input type="checkbox"/>	Establish a cooperative agreement with GSA to utilize surplus for Federal program operation.
<input type="checkbox"/>	Establish a cooperative agreement to warehouse Federal excess.
<input type="checkbox"/>	Establish a cooperative agreement with GSA to sell nondonable property.
<input type="checkbox"/>	Establish cooperative agreements with other states agencies to service donees in remote parts of the state.
<input type="checkbox"/>	Other <input type="text"/>

J. RECORDS MANAGEMENT

References: FMR 102-37.190, 220-240 and Appendix B (o, p); Donation Handbook, Ch.2, para. 13d (5)(a)(xiv).

QUESTIONS:

1. What is the record retention policy for the state agency?

<input type="checkbox"/>	Official agency records (SF123s, warehouse issue sheets, invoices, etc.) retained for no less than three years.
<input type="checkbox"/>	Records for items with special or extended restrictions retained for one year beyond the expiration of the restriction period.
<input type="checkbox"/>	Records for items in noncompliance status retained for one year after the case is closed.
<input type="checkbox"/>	Other <input type="text"/>

2. Does the agency maintain its files for items that have perpetual restrictions or other special restrictions (i.e. items with a/c over \$5K, gamma goats, aircraft, vehicles, vessels, etc.) to prevent these records from being handled along with "normal" donation documents?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

3. Are all appropriate records available for the prescribed time frames?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

COOPERATIVE AGREEMENTS

HANDBOOK:

Cooperative agreements. Cooperative agreements between the state agency and GSA covering the retention of items of surplus personal property by the state agency for use in performing its donation functions should be reviewed to ensure compliance with provisions of FPMR 101-44.206(c). A complete listing of such property should be on file with evidence that it has been approved by the GSA regional office. The reviewing official should determine if all property included on the listing is of a type and quantity which is reasonably needed and useful to the state agency.

OUTLINE FOR CONDUCTING REVIEW:

1. Does SASP have a copy of cooperative agreement with GSA?
2. Request copies of any other cooperative agreements the SASP has entered into.
3. Review lists of property taken for state agency use per cooperative agreement. Was all of the property submitted to GSA for approval? Are separate records on the location, use, and disposition of such property maintained as required by the cooperative agreement?
4. Does SASP have current drug certification on file? Include copy with report as exhibit. ✓ *state*
copy as
5. Has SASP signed annual certification of terms and conditions so that faxed copies can be accepted by GSA? Include copy as exhibit. ✓ *well*
copy
6. Does the SASP use the Cooperative Agreement between the General Services Administration and the Defense Logistics Agency to turn in undonated property? What DRMO sites are used? *FT. Knaf, King 4*
7. Does the SASP have a cooperative agreement with GSA to dispose of undonated property by conducting their own sales?
8. Does the SASP have any cooperative agreements with other state agencies?

SAMPLE WRITEUP:

A. (13) COOPERATIVE AGREEMENTS

The state agency has entered into a cooperative agreement with the General Services Administration that authorizes the agency to retain for use in performing its function any item of surplus personal property. Although title to such property immediately vests in the state agency, they agree to maintain separate records on the location, use, and disposition of such property. Appropriate records are being maintained.

GSA also requires that a current Drug-Free Workplace Certification be on file in order for state agencies to retain donable property. The State Agency has a current certification on file that expires September 30, 1991. At that time a new certification will be required.

The state agency also has a cooperative agreement with the state to handle all state owned property. In return for specific services required to dispose of the property, the SASP receives 20 percent of all monies received. This percentage will be reviewed on a yearly basis. Under previous management the SASP received on 10 percent (Exhibit 9).

NO REQUIREMENTS

NO RECOMMENDATIONS

COOPERATIVE AGREEMENT
BETWEEN THE
GENERAL SERVICES ADMINISTRATION
AND
THE STATE AGENCY FOR SURPLUS PROPERTY
OF THE STATE OF

This Cooperative Agreement is entered into this _____ day of _____, 19____ between the General Services Administration (hereinafter called GSA) acting by and through the Commissioner, Federal Supply Service, Region _____, and the State of _____ acting by and through the State Program Director as the State Agency for Surplus Property of the State of _____ (hereinafter called the State agency).

In consideration of the observance and performance of the covenants and conditions herein contained, it is agreed by the parties hereto that:

(1) GSA and the State agency for the State of _____ will cooperate as authorized under the terms of Section 203(n) of the Federal Property and Administrative Services Act of 1949, as amended (hereinafter called the act), in utilizing property, facilities, personnel, and services furnished, supplied, or made available under this Agreement to facilitate the allocation, transfer, and distribution of donable surplus personal property.

(2) GSA may make available to the State agency, with or without payment or reimbursement, such property, facilities, personnel, and services as are found by GSA to be necessary and useful in aiding the State agency to expeditiously and efficiently effect distribution and donation of surplus personal property for the purposes authorized by the act.

(3) The State agency may make available to GSA, with or without payment or reimbursement, such property, facilities, personnel, and services as are found by the State agency to be necessary and useful in aiding GSA to expeditiously and efficiently effect allocation and transfer of surplus personal property to the State agency for the purposes authorized by the act.

(4) Subject to the disapproval of GSA within 30 days after receipt of notice, the State agency may retain for use in performing its functions any item of surplus personal property transferred to it by GSA for distribution through donation, for the purposes authorized by the act. Title to such property shall vest in the State agency and the State agency shall maintain separate records on the location, use, and disposition of such property.

(5) The Agreement may be terminated by either party upon 60 days written notice to the other party.

State of _____

By: _____

GENERAL SERVICES ADMINISTRATION

By: _____

Title: _____

Region: _____

**COOPERATIVE AGREEMENT BETWEEN
GENERAL SERVICES ADMINISTRATION
AND
THE DEPARTMENT OF GENERAL SERVICES
MARYLAND STATE AGENCY FOR SURPLUS PROPERTY
OF THE STATE OF MARYLAND**

This cooperative agreement is entered into this 11th day of April, 1995, between the General Services Administration (hereinafter called GSA) acting by and through the Regional Administrator and the State Program Director of the Maryland State Agency for Surplus Property (hereinafter called the State Agency).

In consideration of the observance and performance of the covenants and conditions herein contained, it is agreed by the parties hereto that:

1. The GSA and the State Agency for the State of Maryland will cooperate under the terms of sections 203 (j) (4) (f) and 203 (n) of the Federal Property and Administrative Services Act of 1949, as amended (hereinafter referred to as the Act), in utilizing property, facilities, personnel and services furnished, supplied or made available under this agreement to facilitate the disposition by sale of nondonated Federal surplus personal property in the custody of the State Agency.

2. The State Agency will notify the Federal Supply Service Bureau of the GSA Region 3 Office after it has accumulated a quantity of nondonated Federal surplus property sufficient to warrant a sale in accordance with Chapter 13 of the Government-owned Personal Property Sales Handbook (FSS P 4055.11) (hereinafter referred to as the Sales Handbook), and request the necessary instructions and authority to proceed with such sale under this agreement.

3. The GSA Regional Office will, if warranted, authorize the State Agency to proceed with a sale of nondonated property reported by the State Agency in accordance with the terms and conditions as set forth herein;

- (a) The State Agency shall act as agent for and on behalf of GSA for the preparation and conduct of the sale;
- (b) State property and Federal property cannot be commingled in the same line item;
- (c) The State Agency in the conduct of any sale of Federal surplus personal property shall comply with the Federal Property Management Regulations, Parts 101-44 and 101-45, the Sales Handbook, and this agreement;
- (d) All sales shall be by competitive bid as outlined in Chapter 3 of the Sales Handbook unless otherwise specifically authorized in writing by GSA;
- (e) The State Agency shall adhere to all special instructions with respect to any sale that are provided by GSA;

- (f) The State Agency shall incorporate the terms and conditions as set out in Standard Form 114c, Sale of Government property - General sale terms and conditions, in all sales, in accordance with Chapter 4 of the Sales Handbook, together with such other terms and conditions as may be authorized and directed by GSA;
- (g) Immediately after awards have been made, the State Agency shall provide GSA with a Sales Analysis Report (GSA Form 1568) covering the sale together with any allowable claim for reimbursement stemming from the sale;
- (h) The State Agency shall be responsible for the collection and forwarding to GSA for deposit all proceeds from the sale in accordance with procedures contained in Chapter 6 of the Sales Handbook;
- (i) The State Agency agrees that the sale shall be conducted by personnel who are qualified by reason of experience and background in conducting sales. The names and the qualifications of State Agency personnel who will act as sales contracting officers shall be submitted to GSA for approval;
- (j) Employees of the Maryland State Agency shall not purchase for themselves or for any other person, whether directly or indirectly through an agent or intermediary, Federal Government personal property being sold by the Maryland State Agency on behalf of GSA. This prohibition also applies to any member of their immediate household;
- (k) Reimbursement from sales proceeds to State Agencies will be made according to the following breakdown: 50% to the State Agency and 50% of the proceeds will be retained by GSA. No reimbursement shall be granted by the GSA Regional Office to the State Agency for property that has been in the State Agency's possession for a period exceeding two years from the date of receipt until the report date for disposal;
- (l) The State Agency shall make all records and documents pertaining to all sales authorized pursuant to this agreement available to representatives of GSA, the General Accounting Office, or other authorized Federal activities.

4. The interim procedures (Appendix A) are hereby incorporated as a part of this agreement and will remain in effect until similar procedures are published in Chapter 13 of the Sales Handbook. At that time, the procedures contained in the Handbook will become applicable and will automatically become incorporated as part of this agreement.

5. This agreement may be amended by consent of the parties or terminated by either party upon 60 days written notice to the other party.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
ARIZONA STATE AGENCY FOR SURPLUS PROPERTY
AND
GENERAL SERVICES ADMINISTRATION, REGION 9

PURPOSE: The purpose of this agreement is to define provisions whereby the Arizona State Agency for Surplus Property will act as property custodian for Federal civilian agencies during the disposition of their excess and surplus personal property. This agreement will benefit Federal agencies by providing professional custodial services for their property during the process of Federal and donation screening and public sale. It will also benefit the Arizona State Agency for Surplus Property and its donees by bringing potentially donable property to the State's distribution facility and enhancing its availability to SASP customers.

A. ACCEPTANCE OF EXCESS PROPERTY BY THE ARIZONA STATE AGENCY FOR SURPLUS PROPERTY

1. No property will be accepted unless the owning agency has submitted a Report of Excess Personal Property (SF-120) to the SASP and GSA. Reporting the property in FEDS will be the responsibility of the owning agency or GSA.
2. Acceptance of physical custody by the SASP does not constitute transfer of ownership. Accountability for property remains with the owning agency.
3. The SASP will schedule delivery of property as space and workload permits. It may choose not to accept property which is not usable or exceeds available capacity.
4. No hazardous or dangerous property will be accepted by the SASP.
5. If property delivered should properly be disposed of through abandonment/destruction procedures, the SASP will submit a request to GSA to approve abandonment or destruction. If the property has an original acquisition cost of less than \$500, the SASP may destroy without prior approval and must notify GSA and the owning agency.

B. FEDERAL SCREENING AND TRANSFERS

1. The SASP will maintain Federal property apart from donable property for a 21-day Federal screening period.
2. The SASP will permit access to property by employees of Federal agencies and individuals holding Screeners Identification Cards.

3. Upon receipt of a GSA-approved Transfer Order, the SASP will contact the transferee and schedule removal of the property.

C. DONATION SCREENING AND TRANSFER

1. The SASP will permit access to property by authorized screeners from other states during the 21 day donation screening period.
2. The SASP will complete a SF-123 Transfer Order or FEDS transfer for any property it selects for issuance to Arizona donees.

C. SALES OF RESIDUAL PROPERTY

The Arizona SASP may select from the following options for sale of property remaining after completion of Federal/donation screening:

1. Conduct a sale through the Arizona SASP-GSA Cooperative Agreement currently used to sell undistributed SASP inventory. If this option is selected, all residual property will be transferred to the SASP so that it has authority to conduct the sale. The SF-123 transferring the property will not be recorded in FEDS. The provisions of the recent FBP policy memorandum requiring that property be held a minimum of 9 months prior to sale will not apply to property handled through this MOU.
2. Serve as a contractor providing property custodial services for a GSA-conducted sale of the undistributed property. Under this option, the SASP would invoice GSA for services provided at a rate of 50% of proceeds, unless an alternative amount is agreed to.

UNDER THIS MOU, GSA AGREES TO:

- Expeditiously dispose of property held at the Arizona SASP
- Work with Federal agencies to resolve disputes and problems
- Promptly remit to the SASP all funds due for services provided

UNDER THIS MOU, THE ARIZONA SASP AGREES TO:

- Adequately maintain and protect Federal property in its custody
- Notify GSA of disputes or problems with Federal agencies

This MOU contains no expiration date and may be terminated by either party with 30 days notification. It becomes effective upon approval by the parties.

APPROVED:

For General Services Administration

Peggy Lowndes
Director, Property Management Division
Pacific Rim Region

Date

For the State of Arizona

Date

REQUIREMENTS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Maintain a separate listing of all property selected for Federal program use and provide a copy to GSA for approval prior to use.
<input type="checkbox"/>	All requests of property for Federal program use must be provided to the appropriate regional office for approval prior to use.
<input type="checkbox"/>	Execute the required MOA with GSA and SBA.
<input type="checkbox"/>	Other <input type="text"/>

RECOMMENDATIONS:

<input type="checkbox"/>	None
<input type="checkbox"/>	Maintain a separate listing of all property selected for Federal program use and provide a copy to GSA for approval prior to use.
<input type="checkbox"/>	Establish a cooperative agreement with GSA to utilize surplus for Federal program operation.
<input type="checkbox"/>	Establish a cooperative agreement to warehouse Federal excess.
<input type="checkbox"/>	Establish a cooperative agreement with GSA to sell nondonable property.
<input type="checkbox"/>	Establish cooperative agreements with other states agencies to service donees in remote parts of the state.
<input type="checkbox"/>	Other <input type="text"/>

J. RECORDS MANAGEMENT

References: FMR 102-37.190, 220-240 and Appendix B (o, p); Donation Handbook, Ch.2, para. 13d (5)(a)(xiv).

QUESTIONS:

1. What is the record retention policy for the state agency?

<input type="checkbox"/>	Official agency records (SF123s, warehouse issue sheets, invoices, etc.) retained for no less than three years.
<input type="checkbox"/>	Records for items with special or extended restrictions retained for one year beyond the expiration of the restriction period.
<input type="checkbox"/>	Records for items in noncompliance status retained for one year after the case is closed.
<input type="checkbox"/>	Other <input type="text"/>

2. Does the agency maintain its files for items that have perpetual restrictions or other special restrictions (i.e. items with a/c over \$5K, gamma goats, aircraft, vehicles, vessels, etc.) to prevent these records from being handled along with "normal" donation documents?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

3. Are all appropriate records available for the prescribed time frames?

<input type="checkbox"/>	Yes	<input type="text"/>
<input type="checkbox"/>	No	<input type="text"/>
<input type="checkbox"/>	Other	<input type="text"/>

4. Is compliance data effectively generated and maintained?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

5. The state agency has which of the following available:

<input type="checkbox"/>	FMR	
<input type="checkbox"/>	Donation Handbook	
<input type="checkbox"/>	Cooperative Agreements	
<input type="checkbox"/>	Miscellaneous GSA policy letters and memoranda	
<input type="checkbox"/>	40 U. S. C. § 549	
<input type="checkbox"/>	Current State Plan	
<input type="checkbox"/>	Drug Free Workplace Certifications	
<input type="checkbox"/>	Other	

REQUIREMENTS:

<input type="checkbox"/>	None	
<input type="checkbox"/>	Initiate action to retain records in accordance with the agency's state plan and all GSA requirements.	
<input type="checkbox"/>	Update the state plan to reflect the allowable record retention parameters as listed in the FMR.	
<input type="checkbox"/>	Other	

RECOMMENDATIONS:

<input type="checkbox"/>	None	
<input type="checkbox"/>	Acquire all appropriate references listed above which were unavailable.	
<input type="checkbox"/>	Assemble a compliance case log to record detailed information referencing and summarizing significant events, phone conversations, letters received/distributed and information requested by the regional office, office of the inspector general, etc.	
<input type="checkbox"/>	Establish a binder where various memoranda from GSA could be kept and easily accessible to all state agency personnel.	
<input type="checkbox"/>	Other	

K. NONDISCRIMINATION ASSURANCE

References: FMR 102.37.205 (f); Title VI of the Civil Rights Act; Donation Handbook, Ch. 1, para. 24 and Ch. 2, para. 13d (5)(a)(xiii).

RESERVED- Managed in conjunction with the GSA's Office of Civil Rights (OCR) survey.

QUESTIONS:

1. Record any follow-up actions completed by the review team as requested by OCR:

--

2. Does it appear that the state agency has been compliant with requests made by OCR?

--

L. CONCLUSION

RECORDS MANAGEMENT

FILE MAINTENANCE

HANDBOOK:

Maintenance of records. Regional memoranda, the state plan of operation, cooperative agreements, state agency review and audit reports, interregional memoranda, and the control register for screeners cards should be current and filed in an orderly manner. Examine program manuals and handbooks to make sure that they are complete, current and accessible to office and supervisory staff. Also examine the efficiency of records retrieval and evaluate its effectiveness.

OUTLINE FOR CONDUCTING REVIEW:

1. Check for updated Donation Handbook.
2. Check for current copy of Federal Property Management Regulations.
3. Check for copy of Public Law 94-519.
4. Check for copy of cooperative agreement with GSA.
5. Check how inventory files are maintained.
6. Check aircraft files.
7. Check filing procedure for open and closed compliance cases.
8. Check for copy of State Plan of Operation.
9. Are files accessible to personnel who have need of them?
10. How many years are official files retained?

- Wes.*
11. Annual Drug Free Certification
 12. Annual Term and Conditions (SP 123)
- and*
file

SAMPLE WRITEUP:

A. (14) MAINTENANCE OF RECORDS

Records are retained for the required three years. Records that are required to be held for an additional period of time are properly retained.

An updated copy of the Donation Handbook and numerous copies of the Federal Property Management Regulations are maintained by the agency. Adequate inventory files, as well as, aircraft and compliance case files are maintained.

NO REQUIREMENTS

NO RECOMMENDATIONS



General Services Administration
Federal Supply Service
Washington, DC 20406



OCT 16 1991

MEMORANDUM FOR DIRECTORS, FEDERAL SUPPLY SERVICE BUREAUS
2FB, 2FB-1, ~~2FB-2~~, 3FB-W, 4FB, 5FB, 6FB
7FB, 7FB-8, 9FB, 9FB-10

DIRECTORS, STATE AGENCIES FOR SURPLUS PROPERTY

FROM:

for STANLEY M. DUDA
DIRECTOR
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT:

Annual State agency certification of the terms and conditions of donation transfers

In June 1989, State agencies were authorized to fax copies of Standard Form (SF) 123 to GSA for approval, provided they followed up with a hard copy of the SF 123 to evidence their acceptance of the terms and conditions outlined on back of the form. This memorandum carries that authorization a step further by allowing State agencies to submit an annual certification agreeing to the terms and conditions of the transfer in lieu of following up each faxed SF 123 with a copy of the original document.

State agencies wishing to exercise this option must execute and file the attached certification with their respective GSA region. Regional offices are to maintain the certifications in their State plan files. A new certification must be executed whenever the position of State agency director or manager is filled by a new person. While the annual certification will negate the requirement for mailing GSA a hard copy of faxed SF 123's, State agencies should continue to maintain originals of the faxed documents in agency files.

Facsimile transmissions of SF 123's should continue to be used only when time is crucial to the outcome of a property transaction. Furthermore, the use of electronic forms or other deviations from the prescribed form SF 123 must be cleared with this office and the forms management staff of GSA prior to implementation.

Any questions concerning this memorandum should be directed to Mrs. Audrey Harris at FTS 557-1234.

Attachment

NOV 12 1991

CERTIFICATIONS, AGREEMENTS, AND ASSURANCES
Fiscal Year 199__

On behalf of the State agency named in block 13a of the Standard Form (SF) 123, Transfer Order Surplus Personal Property, the undersigned, in consideration of and for the purpose of obtaining the transfer of any or all property covered by such transfer order, recognizes and agrees that any such transfer will be made by the General Services Administration (GSA) in reliance on the certifications, agreements, and assurances as printed on the reverse side of the SF 123. It is further agreed that the following certification is incorporated as part of the transfer document:

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

(See attachment for instructions)

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a 3-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a 3-year period preceding the submission of the SF 123 had one or more public transactions (Federal, State, or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Name of State Agency

Name and Title of Authorized Official

Signature

Date



General Services Administration
Federal Supply Service
Washington, DC 20406



NOV 29 1990

MEMORANDUM FOR DIRECTORS, FEDERAL SUPPLY SERVICE BUREAUS
2FB, 2FB-1, 3FB, 3FB-W, 4FB, 5FB, 6FB
7FB, 7FB-8, 9FB, 9FB-10

DIRECTORS, STATE AGENCIES FOR SURPLUS PROPERTY

FROM: STANLEY M. DUDA
DIRECTOR
PROPERTY MANAGEMENT DIVISION (FBP)

SUBJECT: Drug-Free Workplace Certifications under 41 CFR
105-68

The Drug-Free Workplace Act of 1988 (Public Law 100-690) requires grantees of Federal agencies to certify to the granting agency that they will provide a drug-free workplace. GSA's regulations (41 CFR 105-68) implementing this provision of the act were recently amended. This memorandum transmits a copy of those regulations, as published in the Federal Register, and provides guidance for complying with the certification requirements contained therein.

Property furnished a State agency under the provisions of section 203(n) of the Federal Property and Administrative Services Act of 1949, as amended, is considered to be a grant for purposes of the Drug-Free Workplace Act. Subsequently, a State having a cooperative agreement with GSA which allows it to retain Federal surplus property for use in performing its donation functions must certify, as a condition for receiving property under the agreement, that it will provide a drug-free workplace. This certification may be made each time the State agency transmits a listing of needed property to the regions for approval; however, the regulations provide for, and we recommend, that the certification be submitted on an annual (Federal fiscal year) basis.

My office has been designated as the central collection point for GSA to maintain the annual drug-free workplace certifications. State agencies which plan to request Federal property for use in their program operations should either send me a fully executed copy of the attached certification or a copy of a statewide certification issued by their Governor's office. Again, an annual certification will obviate the need for a certification to be submitted each time a request is made to retain donable property for State agency use.

MAY 20 1991

The regulations prescribe no deadline for making the annual certifications for fiscal years 1991 and beyond. But, given that the certifications are required in order for State agencies to continue receiving property for administrative purposes, certifications for the fiscal year that began October 1 should be sent immediately, but no later than 45 days from the date of this letter. Future certifications should be submitted by September 30 of each year to ensure a State's continuing eligibility to receive property for administrative use. Copies of all such certifications received will be provided to the appropriate regional office for use in approving or disapproving requests.

Should you have any questions concerning the certification requirements, you may contact Mrs. Audrey Harris or Mrs. Marie Timmerman at (FTS/703) 557-1234.

Attachments

PART 105-68 GOVERNMENTWIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT) AND
GOVERNMENTWIDE REQUIREMENTS FOR DRUG-FREE WORKPLACE
(GRANTS)

APPENDIX A

Appendix A -- Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions.

Instructions for Certification

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," provide by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (Tel. 4).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions

- (1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

APPENDIX A

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

PART 105-68 GOVERNMENTWIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT) AND
GOVERNMENTWIDE REQUIREMENTS FOR DRUG-FREE WORKPLACE
(GRANTS)

APPENDIX B

Appendix B -- Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--
Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (Tel. 4).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

(Next page is 21)

Certification Regarding Drug-free Workplace Requirements

The certification set out below is a material representation of fact upon which reliance is placed when the General Services Administration (GSA) authorizes a State agency to retain Federally owned property pursuant to a cooperative agreement entered into under the terms of section 203(n) of the Federal Property and Administrative Services Act of 1949, as amended. If it is later determined that the State agency knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, GSA, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act (see 41 CFR 105-68.620).

1. The State agency named herein, as a condition for retaining donable surplus property for use in performing its donation functions, certifies that it will or will continue to provide a drug-free workplace by:
- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in any State agency workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - b. Establishing an ongoing drug-free awareness program to inform employees about —
 - (1) The dangers of drug abuse in the workplace;
 - (2) The State agency's policy of maintaining a drug-free workplace;
 - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - c. Making it a requirement that each employee to be engaged in the performance of the State agency's Federal donation program be given a copy of the statement required by paragraph a.;
 - d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the State agency's Federal donation program, the employee will —
 - (1) Abide by the terms of the statement; and
 - (2) Notify the State agency in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than 5 calendar days after such conviction;
 - e. Notifying the General Services Administration, Property Management Division (FBP), Washington, DC 20406, in writing, within 10 calendar days after receiving notice under subparagraph d. (2) from an employee or otherwise receiving actual notice of such conviction. The notification shall include the position title of the convicted employee;
 - f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d. (2) , with respect to any employee who is so convicted —
 - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a, b, c, d, e, and f.
2. This certification is submitted for Federal Fiscal Year _____ and covers all work sites under the State agency's jurisdiction.

Name of State Agency

Name and Title of Authorized Official

Signature

Date

Is compliance data effectively generated and maintained?

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

5. The state agency has which of the following available:

<input type="checkbox"/>	FMR	
<input type="checkbox"/>	Donation Handbook	
<input type="checkbox"/>	Cooperative Agreements	
<input type="checkbox"/>	Miscellaneous GSA policy letters and memoranda	
<input type="checkbox"/>	40 U. S. C. § 549	
<input type="checkbox"/>	Current State Plan	
<input type="checkbox"/>	Drug Free Workplace Certifications	
<input type="checkbox"/>	Other	

REQUIREMENTS:

<input type="checkbox"/>	None	
<input type="checkbox"/>	Initiate action to retain records in accordance with the agency's state plan and all GSA requirements.	
<input type="checkbox"/>	Update the state plan to reflect the allowable record retention parameters as listed in the FMR.	
<input type="checkbox"/>	Other	

RECOMMENDATIONS:

<input type="checkbox"/>	None	
<input type="checkbox"/>	Acquire all appropriate references listed above which were unavailable.	
<input type="checkbox"/>	Assemble a compliance case log to record detailed information referencing and summarizing significant events, phone conversations, letters received/distributed and information requested by the regional office, office of the inspector general, etc.	
<input type="checkbox"/>	Establish a binder where various memoranda from GSA could be kept and easily accessible to all state agency personnel.	
<input type="checkbox"/>	Other	

K. NONDISCRIMINATION ASSURANCE

References: FMR 102.37.205 (f); Title VI of the Civil Rights Act; Donation Handbook, Ch. 1, para. 24 and Ch. 2, para. 13d (5)(a)(xiii).

RESERVED- Managed in conjunction with the GSA's Office of Civil Rights (OCR) survey.

QUESTIONS:

1. Record any follow-up actions completed by the review team as requested by OCR:

--

2. Does it appear that the state agency has been compliant with requests made by OCR?

--

L. CONCLUSION

NONDISCRIMINATION

HANDBOOK:

Nondiscrimination compliance. Ascertain the following and submit information to the GSA Office of Ethics and Civil Rights for use in determining whether a more extensive civil rights review is warranted, or other follow-up is necessary: Are civil rights posters displayed prominently and in reasonable numbers and places? Has the state agency received any discrimination complaints? Are state agencies in Regions 3, 4, 5, 6, 7, and the National Capital Region placing emphasis on making historically Black colleges and universities aware of the donation program? Is the state agency's submission of Methods of Administration (MOA) reports current?

OUTLINE FOR CONDUCTING REVIEW:

1. Are nondiscrimination posters displayed?
2. Is there any evidence of discrimination by the state agency?
3. Has the agency had any discrimination complaints?
4. Is the SASP complying with the Methods of Administration Report required by the GSA Office of Ethics and Civil Rights?

SAMPLE WRITEUP:

A. (15) NONDISCRIMINATION COMPLIANCE

Nondiscrimination posters are displayed by the agency. There is no evidence of discrimination in hiring practices or certification of eligible donees relating to race, religion, creed, age, or sex. The agency has not had any discrimination complaints.

NO REQUIREMENTS

NO RECOMMENDATIONS

STATE AGENCY FOR SURPLUS PROPERTY
BIENNIAL REVIEW

AREAS OF CONCERN

M. NONDISCRIMINATION COMPLIANCE:

References: FPMR 101-44.118; Donation Handbook, Ch.1, para.24; Ch.2, para.13d(5)(a)(xiii).

1. Are the Civil Rights and Nondiscrimination Posters displayed at the SASP which are easily viewed by donees? _____
2. Has the regional office or the SASP received any discrimination complaints during the review period? _____
3. Is the regional office aware of any complaints from the GSA Office of Ethics and Civil Rights that the SASP has failed to comply any requests from that office? ____



General
Services
Administration Washington, DC 20405

Date **NOV 4 1980**

Policy, Planning, and Program Development Division (HOL)

Subject: Display of U.S. General Services Administration's Poster Concerning
"Nondiscrimination in Federally Assisted Programs"

To: All Recipients and Sub-Recipients of Federal Assistance
from the General Services Administration

As a recipient (donee) or sub-recipient of Federal assistance from this Agency, you are required by law to display posters indicating that you operate programs subject to the non-discrimination requirements of Title VI of the Civil Rights Act of 1964 and related statutes. You must display them prominently and in reasonable numbers to be viewed by the public, in order to be in compliance with the law.

I have enclosed such posters for your convenience. If you have any questions, feel free to contact either Mr. Andrew D. Malloy at (202) 566-1525 or Mr. Ronson J. Britt at (202) 566-1097.

R. F. Lee
Director

Enclosures

OPTIONAL FORM 99 (7-80)

FAX TRANSMITTAL

of pages **1**

To: Joe Vorecki	From: Audrey Harris
Dept./Agency: GSA/3FBP	Phone #: 703-305-5234
Fax #: 215-597-0724	Fax #: 703-305-7728

NSN 7540-01-317 7368

5099-101

GENERAL SERVICES ADMINISTRATION

§ 42.404

Title 28—Judicial Administration

eral, to the Attorney General for final approval (Executive Order 12250 delegates to the Attorney General the function, vested in the President by section 602 of Title VI, 42 U.S.C. 2000d-1, of approving Title VI regulations and amendments to them.)

(d) The Title VI regulation of each federal agency shall be supplemented with an appendix listing the types of federal financial assistance, i.e., the statutes authorizing such assistance, to which the regulation applies. Each such appendix shall be kept up-to-date by amendments published, at appropriate intervals, in the FEDERAL REGISTER. In issuing or amending such an appendix, the agency need not follow the procedure set forth in paragraph (c) of this section.

[Order No. 670-76, 41 FR 52669, Dec. 1, 1976, as amended by Order No. 960-81, 46 FR 52357, Oct. 27, 1981]

§ 42.404 Guidelines.

(a) Federal agencies shall publish Title VI guidelines for each type of program to which they extend financial assistance, where such guidelines would be appropriate to provide detailed information on the requirements of Title VI. Such guidelines shall be published within three months of the effective date of this subpart or of the effective date of any subsequent statute authorizing federal financial assistance to a new type of program. The guidelines shall describe the nature of Title VI coverage, methods of enforcement, examples of prohibited practices in the context of the particular type of program, required or suggested remedial action, and the nature of requirements relating to covered employment, data collection, complaints and public information.

(b) Where a federal agency determines that Title VI guidelines are not appropriate for any type of program to which it provides financial assistance, the reasons for the determination shall be stated in writing and made available to the public upon request.

§ 42.405 Public dissemination of Title VI information.

(a) Federal agencies shall make available and, where appropriate, dis-

tribute their Title VI regulations and guidelines for use by federal employees, applicants for federal assistance, recipients, beneficiaries and other interested persons.

(b) State agency compliance programs (see § 42.410) shall be made available to the public.

(c) Federal agencies shall require recipients, where feasible, to display prominently in reasonable numbers and places posters which state that the recipients operate programs subject to the nondiscrimination requirements of Title VI, summarize those requirements, note the availability of Title VI information from recipients and the federal agencies, and explain briefly the procedures for filing complaints. Federal agencies and recipients shall also include information on Title VI requirements, complaint procedures and the rights of beneficiaries in handbooks, manuals, pamphlets and other material which are ordinarily distributed to the public to describe the federally assisted programs and the requirements for participation by recipients and beneficiaries. To the extent that recipients are required by law or regulation to publish or broadcast program information in the news media, federal agencies and recipients shall insure that such publications and broadcasts state that the program in question is an equal opportunity program or otherwise indicate that discrimination in the program is prohibited by federal law.

(d)(1) Where a significant number or proportion of the population eligible to be served or likely to be directly affected by a federally assisted program (e.g., affected by relocation) needs service or information in a language other than English in order effectively to be informed of or to participate in the program, the recipient shall take reasonable steps, considering the scope of the program and the size and concentration of such population, to provide information in appropriate languages to such persons. This requirement applies with regard to written material of the type which is ordinarily distributed to the public.

(2) Federal agencies shall also take reasonable steps to provide, in languages other than English, informa-

Note: The team leader shall re-examine the nature and/or severity of any findings, requirements and recommendations which appear in this report before answering the following four questions.

QUESTIONS:

1. After re-examining the “Property Accountability & Control” element, does the agency appear to be having inventory control and accountability problems? Provide an explanation for either answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	

2. After re-examining the “Fiscal Management” element, do any financial inconsistencies or situations exist which might have a detrimental effect on the donation program? Provide an explanation for either answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	

3. After re-examining the “Eligibility” element, does the agency appear to be having problems with its eligibility files? Provide an explanation for either answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	

4. After re-examining the “Compliance” element, does the agency appear to be having problems with donee compliance? Provide an explanation for either answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	

Note: If the response to any one of the above four questions is “yes”, the next review should be scheduled in two years or sooner. If the answers to all four questions were “no”, the next scheduled review shall be performed in four years.

5. The next scheduled review will occur in two or four years? Provide an explanation for any answer listed below.

<input type="checkbox"/>	Two	
<input type="checkbox"/>	Four	
<input type="checkbox"/>	Other	

6. After reviewing the requirements and corrective actions taken by the state agency in response to the previous state agency review report, has the agency corrected all significant deficiencies without the same issues basically re-appearing? Provide an explanation for any answer listed below.

<input type="checkbox"/>	Yes	
<input type="checkbox"/>	No	
<input type="checkbox"/>	Other	

M. SCHEDULE OF ATTACHMENTS:

Attachment A	“Organization Chart or Listing”
Attachment B	“SF123” spreadsheet
Attachment C	“Profit & Loss” statement
Attachment D	“3040 Report” spreadsheet
Attachment E	“Eligibility Grid”
Attachment F	“Non-Donable Sales Summary”
Attachment G	“Other or miscellaneous” (used only if needed)

EXIT INTERVIEW

HANDBOOK:

Exit interview. When the review has been completed, the reviewer should discuss his/her findings with the director of the agency. Requirements for bringing the agency into conformance with its plan of operation and the FPMR and recommendations for the improvement of the agency's operations and correction of deficiencies should be discussed. At this time, the director should be asked to comment on the amount of contact the agency has with the regional personal property staff and area utilization officers, and if any improvements could be made in this area of activity. These comments should be included as a statement in the review report.

OUTLINE FOR CONDUCTING REVIEW:

1. Review all findings with SASP director.
2. Ask SASP for comments regarding relationship with GSA.
3. If possible, any corrections made before report is finalized may be annotated in report.
4. If SASP director wishes to respond in writing to exit interview, it may be included in biennial review.
5. Write up exit review as part of report and include names of all individuals attending. Include comments of SASP regarding relationship with GSA, comments on review process, etc.
6. All findings should be included in exit interview. Actual report should not include anything not discussed previously with SASP director.

SAMPLE WRITEUP:

EXIT INTERVIEW

An exit interview was held on Tuesday, August 6, 1991, prior to donee visits throughout the state. GSA personnel met with Assistant Commissioner, acting director of the Division of Purchasing, the manager and the assistant manager. All findings of the review were presented and recommendations made. Agency personnel confirmed the excellent working relationship that exists with the General Services Administration.