

Use GSA's Exchange/Sale Program to Offset the Cost of Replacing Personal Property



Introduction to Exchange/Sale

Exchange/Sale is an authority provided by Section 503 of Title 40, United States Code, under which executive agencies, when acquiring replacement property, may exchange or sell items of personal property and may apply the proceeds from the sale or the exchange allowance, in whole or in part, to reduce the agency's cost of acquiring similar newly acquired property. The details on Exchange/Sale are contained in Federal Management Regulation (FMR) **Title 41** → **Subtitle C** → **Chapter 102** → **Subchapter B** → **Part 102-39**.

When Should the Exchange/Sale Authority Be Used?

Agencies should consider using the Exchange/Sale authority to reduce the cost of purchasing similar replacement property when existing personal property has worn out or become obsolete and requires replacement. Proceeds or exchange allowances under this Exchange/Sale authority **must** be used to purchase similar items.

There are some restrictions and prohibitions to using Exchange/Sale for certain Federal Supply Groups (FSGs), including:

- FSG 10: Weapons
- FSG 11: Nuclear ordnance
- FSG 42: Firefighting, rescue, and safety equipment
- FSG 44: Nuclear reactors (FSC 4472 only)
- FSG 51: Hand tools
- FSG 54: Prefabricated structure and scaffolding
- FSG 68: Chemicals and chemical products, except medicinal chemicals
- FSG 84: Clothing, individual equipment, and insignia

Conditions of Using Proceeds from Exchange/Sale

To ensure timely reimbursement of sales proceeds, please ensure accurate and detailed accounting/appropriation fund source information is included when reporting Exchange/Sale items. When accurate and complete accounting information is reported, the GSA Finance Center can direct agency proceeds to the account fund by IPAC in 30 to 45 days.

Reimbursement money from Exchange/Sale is available to the agency during the fiscal year the item was sold and for one fiscal year thereafter, unless otherwise restricted by the agency, or unless a deviation is approved by GSA Office of Government-wide Policy (OGP). Unused monies must be deposited in the U.S. Treasury as miscellaneous receipts.

Get Started Using Exchange/Sale

- Report property using the GSAXcess® system. To get access to GSAXcess, request a user code by sending an email to GSA's Nancy Moses at nancy.moses@gsa.gov.
 - Exchange/Sale items reported in GSAXcess have an expedited two-day screening period during which other federal agencies and eligible entities may request the property and pay fair market value as determined by the owning agency. If no interest is expressed during the two-day screening period, the item is electronically transferred to sales, where a sales specialist will process the item for sale to the general public.
- Property may also be manually reported on a Standard Form 126, "Report of Personal Property for Sale." Forward the form directly to the appropriate servicing PPM Zone sales office manager.

Using GSA Auctions

The GSA Office of Personal Property Management's Sales Division is an OMB-authorized sales center that sells all types and commodities of personal property for all federal agencies. GSA sells property in place from agency locations using various methods to meet agency needs. Special terms and conditions of sale may be used for unique and special property types as needed.

Property is offered for sale nationwide to increase bidding competition for maximum return on investment for the government and taxpayers. Advertising occurs on the GSA Auctions website, Google, Facebook, and Twitter, as well as via email, in trade magazines, locally, and to niche markets as required.

For more information, contact Mike Wyckoff, Director, Sales Program Division, Office of Personal Property Management, at michael.wyckoff@gsa.gov or (703) 605-5748.

For More Information about Exchange/Sale

To learn more about GSA's Exchange/Sale Program, visit www.gsa.gov/property.