



**May 2017**

## Contents

Purpose .....	3
Designation of a State Agency for Surplus Property .....	3
Operational Authority .....	3
Eligible recipients .....	4
Inventory Controls and Accounting Systems.....	4
Return of Donated Property .....	5
Financing and Service Charges .....	6
Terms and Conditions .....	7
Non-Utilized or Undistributed Property .....	9
Fair and Equitable Distribution.....	9
Eligible Agencies and Organizations: .....	10
Compliance and Utilization.....	13
Consultation with Advisory Bodies and Public/Private Groups .....	14
Audit.....	14
Cooperative Agreements.....	15
Liquidation.....	15
Forms.....	16
Records Retention .....	16
Fixed Price Sales .....	16
Alcohol and Drug-Free Workplace Policy .....	16
Non-Discrimination Policy .....	16
References.....	17

# Washington State Plan of Operation

## Department of Enterprise Services

### Surplus Operations

### Federal Surplus Property Program

#### Purpose

The purpose of this plan is to outline the method by which the acquisition, warehousing, and equitable distribution of Federal Surplus Property will be accomplished by the State of Washington. This plan identifies eligibility and the regulatory requirements for participation in this program as well as the standard operating procedures.

#### Designation of a State Agency for Surplus Property

The plan shall be administered by Surplus Operations, organized under Washington State Department of Enterprise Services (DES). Surplus Operations is the state designated State Agency for Surplus Property (SASP). Surplus Operations has complete responsibility and authority to carry out the requirements of acquiring, warehousing, and distributing federal surplus property in the State of Washington pursuant to the provisions of [40 USC 549](#). The SASP is supervised by the Program Manager for Surplus Operations. The physical location of the Surplus Operations Program is 7511 New Market Street, Tumwater, WA 98501.

Requirements outlined under the Federal Management Regulations are updated by DES when notified by GSA. Surplus Operations shall adopt program policies and procedures which adhere to those regulations and which include a current State of Washington Plan of Operation required by [40 USC 549](#) and [41 CFR 102-37](#) (Statutory Authority: Regulatory Code of Washington (RCW) [39.32](#) ).

#### Operational Authority

The Director of DES is authorized by [40 USC 549](#) and the Governor and State Legislature by [RCW 39.32](#) to acquire, warehouse, and distribute federal surplus property to all eligible "donees" in the state. Under the general oversight and delegated authority of the DES Director, Surplus Operations manages all Federal Surplus property activities through its SASP.

[40 USC 545](#) allows the SASP to acquire federal surplus property by negotiated sale at fixed price. The SASP will then resell the property in accordance with federal guidelines with donation, only considering eligible organizations. The SASP will charge a varying fee in order to cover any expenses incurred to pay for service, handling, transportation and administrative costs. Expenses which incur in the course of the acquisition such as, warehousing, distribution, and disposal of federal surplus property will be paid from

the state's federal surplus property revolving fund. Proceeds of sales, minus any expenses, must be deposited in the same fund. Authority is granted under [RCW 39.32.020](#) to enter into cooperative agreements; and undertake other actions and provide other assurances as set forth in the plan.

## Eligible recipients

"Donees" include state and local governmental entities; nonprofit educational or public health institutions; and organizations, such as medical institutions, hospitals, clinics, health centers, schools, colleges, universities, schools for persons with intellectual disabilities, schools for persons with physical disabilities, child 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 public libraries serving all residents of a community, district, state, or region, and which are exempt from taxation under [Section 501\(c\)3 of the Internal Revenue Code](#).

## Inventory Controls and Accounting Systems

**Accounting/Distribution System:** The Agency Financial Reporting System (AFRS) accounting system is the financial management software used by Washington State agencies, including DES. It is currently being used as the main source of order processing and accounts receivable. The DES accounting system includes a chart of accounts and journals for all original records of transactions. AFRS provides current information on working capital funds. SASP provides monthly and year-end reports for management visibility and program control. AFRS identifies and separately accounts for deposits and usage of funds accumulated from service charges.

Under legislative authority in [RCW 39.32.040](#) the SASP deposits service charges, as well as funds from sales and noncompliance proceeds, into the Enterprise Services account.

The SASP uses this fund for:

- Direct and reasonable indirect costs of operating the SASP.
- Equipment purchases necessary to operate the SASP.
- Maintenance of a reasonable working capital reserve.
- Costs for rehabilitation of surplus property including purchase of replacement parts.
- Acquisition of, or improvements to, office or distribution center facilities.
- Payment for the costs of internal and external audits.

The tracking of federal property inventoried for distribution, including acquisition cost, receipt, transfer, utilization, inventory control, accountability and disposal of property is kept in a database. DES records the recovery and disposition of funds from sales of property, from non-compliance cases and records reimbursements to "donees" for repairs to returned property.

Inventory: A complete physical inventory of all federal material in possession of the SASP and over an acquisition value of \$500 per item on each line is taken annually in the month of September. Shortages and overages of over \$500, per disposal turn in number, will be tracked on the quarterly report, done in accordance with federal standards and on the annual inventory report (exported via a spreadsheet) which is used to record inventory adjustments. A statement explaining any variances will be included in the corrected inventory report, which is forwarded to the GSA Regional Office in Auburn, WA..

If in the course of the donation process, property has been held at the SASP facility for one calendar year, the SASP will sell excess inventory to purge unneeded stock. After processing at the originating source, the property is moved into a receiving area where the property is checked in and identified. Disposal for such stock will be done in accordance to federal regulation or by any current cooperative agreement.

**Property Accounted by the SASP:** Records for federal surplus property retained by the SASP to perform its functions will be maintained separately from directly issued donation property. For the convenience of our “donees” the SASP may hold an inventory of stock for items currently desired by eligible organizations for later distribution. Following a proper accounting during the receiving process, any item under this threshold may be resorted for “donee” convenience.

**Inventory of Donated Firearms:** The SASP shall collect annual inventory reports from all organizations with donated firearms. The SASP shall maintain inventory reports in perpetuity.

### **Return of Donated Property**

When the SASP determines that donated property is still usable, but is no longer needed, or has not been put into use by a “donee” within one year from the date of receipt of the property, or has not been used by the “donee” for one year thereafter, the SASP will direct the “donee” to either:

- Transfer the property to another SASP or eligible “donee”. Transfer of such property will be at the expense of the “donee” and without reimbursement of any service and handling charges incurred at the time of acquisition.  
*or*
- Physically return the property to the SASP at the “donee’s” expense.  
*or*
- Hold the property pending GSA sale.  
*or*
- Make such other disposal as the SASP may direct.

The SASP will then record whichever form of transfer, return, or disposal on the Fund update inventory records.

The SASP will periodically emphasize utilization requirements when corresponding and meeting with "donees" and when surveying the utilization of donated property at "donee" facilities.

## Financing and Service Charges

The acquisition and distribution of federal surplus property is financed by the Enterprise Services Account under [RCW 43.19.025](#) and is designed to maintain a working capital reserve to cover six months of operational expenses. Service charges are authorized under [RCW 39.32.040](#). As a general guide and based on the listed factors and the following exceptions, the service and handling rate will be three to fifteen percent of original acquisition cost of the item. Some variances to this amount can be made so long as they are not overly excessive and only in order to ensure the agency is able to recover necessary operating costs. Potential reasons for additional charges are elaborated below.

Service charges are assessed at a fair and equitable rate designed to cover all direct and reasonable indirect costs involved in acquiring and distributing federal surplus property. Service charge estimates will be reviewed with "donees" in advance of property transfers. Emphasis will be placed on keeping the service charge to a minimum, but at the same time providing the necessary service to "donees" and operating the agency on a sound financial basis.

Factors considered in applying service charges are:

- Original acquisition cost
- Present value
- Screening cost
- Quantity
- Condition
- Desirability of property
- Transportation cost
- Loading and unloading cost
- Administrative cost

**Exceptions:** The following exceptions have been developed to address two important areas, which are frequently encountered. These two areas are incorrect condition code assignment and acquisition cost. Corrections of condition code or adjustment of acquisition costs will be coordinated with the GSA Regional Office.

1. **Condition Code** – When an obviously incorrect condition code has been assigned, the correct code will be used for valuation purposes.
2. **Acquisition Cost** – When an incorrect acquisition cost has been detected, there will be an adjustment for service charge purposes, which will reflect the correct acquisition cost. This figure will be assigned by research of available records for similar equipment or supplies, including federal stock/pricing manuals.

Special or extraordinary costs may be added to the service charge as follows:

- Rehabilitate Property – Direct costs for rehabilitation may be added to the service charge.
- Overseas Property – Additional direct costs for returning the property may be added.
- Long-haul Property – Charges for major items with unusual costs may be added. Any such costs, which are anticipated will be discussed with the “donee” prior to shipment.
- Special Handling – An additional charge may be made for dismantling, packing, crating, shipping, delivery, and other extraordinary handling charges.
- Screening – Extraordinary costs incurred in screening property may be added.
- Fixed Price and Non-Appropriated Fund property will have the service and handling fee added to the transfer cost paid by the SASP, and the “donee” will pay the total.

Minimum service charges are assessed in cases where the SASP provides document processing only and no other direct costs are involved. Based on an analysis of SASP expenses, where direct transfers of property to eligible “donees” are made, the service charge will be discounted from what would have been assessed if the property had been transferred from the SASP distribution center. Property designated for health and safety of homeless individuals (e.g. bedding, clothing, furniture) is transferred to providers at nominal cost.

When the working capital reserve reflects an insufficient or excessive amount, service charges will be adjusted accordingly. Reserves are monitored monthly and adjustments to service charges are considered at least every two years to coincide with Washington State’s fiscal biennium. Unless there are specific high-value disposals with significant service charges since the last adjustment, no attempt is made to either refund or bill agencies for the purpose of adjusting the capital reserve.

Service charges are deposited in the Enterprise Services account in accordance with [RCW 39.32](#) and are used for on-going SASP expenses and capital reserves. Such expenses consist of operational costs for building use, necessary repairs, payroll, location expansion and any other improvements which could effectively cut costs or improve services offered for “donees” at a later time.

## Terms and Conditions

A “donee” may acquire and use surplus property only for the purposes authorized by [41 CFR 102-37.435](#). These are:

- Public purposes – The donated property must be used to carry out or to promote one or more public purposes for the people it serves.
- Educational and public health purposes, including related research - These purposes include assistance to the homeless or impoverished. The donated property may not be used for a non-related or commercial purpose.



- Programs for older individuals - The donated surplus property must be used to provide services that are necessary for the general welfare of older individuals.

As a condition of eligibility, the “donee” will be required to file an application for eligibility with the state agency. Each form must be signed by the chief executive/administrative officer of the “donee” organization agreeing to the requirements [41 CFR 102-37](#) prior to the donation of any surplus property. The certifications, agreements, terms, conditions, reservations, and restrictions are provided and enclosed with each invoice. All Terms and Conditions are included in welcome packets to agencies upon approval, and during the update for eligible status.

The SASP will impose the standard regulatory statutory requirement which is summarized as: all property acquired by “donees” must be placed into use within one year of donation and be used for one year thereafter with additional exceptions imposed whenever the item has an original acquisition cost of \$5,000 or more; or has licensing requirements (no matter the value).

When considered appropriate, the SASP may impose such additional terms, conditions, reservations, and restrictions, as it is deemed reasonable, on the use of donation property. The SASP will impose on the donation of any surplus item of property, regardless of unit acquisition cost, such conditions involving special handling or use limitations as GSA may determine necessary due to the characteristics of the property.

In addition to the requirements of [41 CFR 102-37](#), the SASP has established the following restrictions:

- All passenger motor vehicles and items with a unit acquisition cost of \$5,000 or more must be used for 18 months from the date the item is put into use.
- All aircraft (except combat-type) and vessels (fifty feet or more in length) must be used for 60 months from the date the item is put into use. This includes a review at least once every 12 months with one such review being done in person.
- The donation of vessels 50 feet or more in length and all aircraft, regardless of the purpose for which acquired, shall be subject to the terms, conditions, reservations and restrictions set forth in the Conditional Transfer Document executed by the authorized “donee” representative.
- All combat-type aircraft requires an annual review indefinitely.
- Any foreign gift or decoration carries a restriction for ten years ([41 CFR 102-42.130](#)).
- Firearms carry restrictions in perpetuity ([41 CFR 101-42](#)), as well as additional inventory requirements.

A “donee” may request that the SASP, with the approval of the Program Manager, amend, modify, or grant release of any term, condition, reservation, or restriction that the SASP has additionally imposed on donated items of personal property. The specific reasons and rationale for the release will be clearly stated. A record will be maintained for as long as the donated item remains in the “donee’s” possession.



## Non-Utilized or Undistributed Property

Property in the possession of the SASP which cannot be utilized by eligible "donees" shall be reported to GSA for disposal authorization. GSA will authorize the SASP to:

- Transfer the property to another state or federal agency
- Sell the property by public sale
- Abandon or destroy the property.
- Other arrangements

In the event of disposal by transfer to another state agency or by public sale, the SASP may seek such reimbursement as is authorized.

## Fair and Equitable Distribution

The SASP will distribute available property to eligible organizations on a fair and equitable basis determined by needs, resources, and ability to utilize property. The SASP will consider:

### Needs

- "Donee" interest and expression of need for the available property.
- Type and quantity of property received by "donee" to date.
- Economic condition of agency, activity, or institution.
- Critical or urgent need.
- Geographic location (urban, suburban or rural).
- Size and type of program conducted.
- Contemplated use and frequency of use.

### Resources

- Availability and sources of funds (grants, donations, taxes).
- Equipment availability.
- Alternate resources available.

### Ability to Utilize

- Ability of the "donee" to select and remove property from the distribution center or federal activity on a timely basis.
- Contemplated length of time and frequency of use.
- When item can be put in use.
- Ability to repair or maintain property.
- Type and quantity of property received to date.

The SASP attempts, through historical use data and program promotion, to provide property to the neediest recipients. Where competing requests are received for property items, the SASP will make a determination based on the evaluation of the criteria above. "Donees" which suffer or experience a loss of property due to a local disaster such as fire, flood, tornado, etc., will be given a temporary priority for all requested property. Special efforts will be made to locate and distribute needed

property to them. Certain “donees” may occasionally acquire a larger portion of property due to their diversity or the need to place low-demand items into productive use.

For all property donated under the above criteria, documentation shall be preserved that explains the interpretation and application of these determining factors in establishing the priorities of “donee” requests. If all requests are deemed equal, the oldest request will be honored first.

The SASP operates a "want list" oriented system to serve eligible “donees” and will aim for direct issue of allocated items from the holding agencies to the “donee’s” place of intended use. “Donees” are encouraged to submit a list of items needed. The SASP employees will be guided by these requests in their search and selection of property. In accordance with [41 CFR 102-37.190](#), the SASP will recommend to GSA the certification of qualified “donee” screeners.

### **Eligible Agencies and Organizations:**

Eligible entities as reflected in [41 CFR 102-37.380](#):

#### **Public Agencies**

The state or any subdivision thereof, including any unit of local government, economic development district, emergency services organization, or any instrumentality created by compact or other agreement between the state and a political subdivision, or any Indian tribe that is State recognized, band, group, or community located on a state reservation in accordance with [RCW 39.32.010](#).

#### **Non-profit Tax Exempt Agencies**

The following statutes provide the authority to donate surplus Federal property to different types of recipients.

[Section 549\(c\)\(3\) of title 40](#), United States Code authorizes SASPs to donate surplus property to public agencies and to nonprofit educational or public health institutions, such as:

- Medical institutions.
- Hospitals.
- Clinics.
- Health centers.
- Drug abuse or alcohol treatment centers.
- Providers of assistance to homeless individuals.
- Providers of assistance to impoverished families and individuals.
- Schools.
- Colleges.
- Universities.
- Schools for the mentally disabled.
- Schools for the physically disabled.
- Childcare centers.
- Radio and television stations licensed by the Federal Communications Commission as educational radio or educational television stations.

- Museums attended by the public.
- Libraries, serving free all residents of a community, district, State or region.
- SBA - 8A Contractor Program

### **Historic light stations**

As defined under [54 USC 305101 \(4\)](#) of Title 54 – National Park Service and Related Programs, including a historic light station conveyed under [54 USC 305103](#) of that title, notwithstanding the number of hours that the historic light station is open to the public. [Section 213 of the Older Americans Act of 1965](#), as amended in [42 USC 3020d](#), authorizes donations of surplus property to certain State or local government agencies, or nonprofit organizations or institutions that receive Federal funding to conduct programs for older individuals.

[Section 549\(c\)\(3\)\(C\) of title 40](#), United States Code authorizes SASPs to donate property to veterans organizations, for purposes of providing services to veterans (as defined in [38 USC 101](#)). Eligible veteran’s organizations are those whose membership comprises substantially veterans; and representatives are recognized by the Secretary of Veterans Affairs under [38 USC 5902](#).

### **Service Educational Activities (SEAs)**

[Section 549\(d\) of title 40](#), United States Code authorizes surplus property under the control of the Department of Defense (DOD) to be donated, through SASPs, to educational activities which are of special interest to the armed services (referred to in this part 102-37 as service educational activities or SEAs.)

### **Establishing Eligibility**

Each potential “donee” must complete an Eligibility Application. This application shall set forth the legal name, federal taxpayer identification number (TIN) and address of the applicant. Details concerning the specific programs and facilities operated by the applicant must be included.

### **Qualifications**

To qualify for donation program eligibility through a SASP, an applicant must:

- Conform to the definition of a category of eligible entities listed in [41 CFR 102–37.380](#);
- Demonstrate that it meets any approval, accreditation, or licensing requirements for operation of its program;
- Prove that it is a public agency or a nonprofit and tax-exempt organization under [section 501\(c\)3 of the Internal Revenue Code](#);
- Certify funding when the applicant is a non-profit tax exempt activity that conducts programs for older individuals;
- Certify that it is not debarred, suspended, or excluded from any Federal program, including procurement programs; and
- Certify that it operates in compliance with applicable Federal nondiscrimination statutes and regulations (The applicant’s authorized representative must sign the certificate.)

The applicant shall complete an Authorized Representative form signed by the chief administrative officer, executive head of the “donee” activity or appropriate staff who shall designate by name and signature those responsible individuals authorized to act for the institution in selecting or executing the distribution of documents for the receipt of property for the “donee” institution and to obligate the necessary funds for this purpose. An applicant may also authorize an individual to act on its behalf by providing a written request to this effect signed by the designated head of the organization. Conditional eligibility may also temporarily be assigned to personnel for one day by an Authorized Representative to purchase on their behalf.

To establish a list of potentially eligible “donees”, the SASP uses many sources, including:

- Listings of cities and towns
- Listings of counties, judiciary, state departments, divisions, councils, commissions, ports, fire districts and institutions
- Listings of educational institutions
- Inquiries, letters, telephone calls received relative to eligibility

### **Maintaining Eligibility**

The SASP will maintain separate eligibility files for each “donee”. “Donee” eligibility will be verified at a minimum every three years. Records will be updated more frequently when necessary due to major changes in personnel organizational structure, programs, etc. If a “donee” organization’s eligibility depends on annual appropriations, annual licensing, or annual certification, the SASP will update its eligibility records annually by updating the complete packet including the current accreditation or license. “Donee” Authorized Representative forms will be updated every three years or sooner where the “donee” submits changes. “Donee” licenses, accreditations, or approvals must be current. Files are separated by program purpose for 8A contractors and SEA, and are also separated into active and inactive groups.

### **Conditional Eligibility**

In the case of a newly organized activity, not yet in operation, the agency will review all information concerning the applicants proposed program and, based upon evidence provided, grant conditional eligibility and make available such property as may be needed at that time. Such condition eligibility shall include a specific date not later than one year from date of conditional approval for re-evaluation to establish permanent eligibility. Under no circumstances shall conditional eligibility be granted to a potentially eligible non-profit tax exempt applicant before the SASP has received a copy of a letter of determination by the Internal Revenue Service stating the applicant is exempt under [section 501\(c\)3 of the Internal Revenue Code](#).

### **GSA Assistance**

The SASP may request GSA assistance in making eligibility determinations.

### **Failure to Maintain Eligibility**

If a “donee” fails to maintain its eligibility status, the SASP will terminate distribution of property to that “donee”, recover any usable property still under Federal restriction and take any other required compliance actions, in accordance with [41 CFR 102-37.410](#).

## **Compliance and Utilization**

Certain property has additional requirements as identified in federal standards. Property must be put into service within 12 months. From the in-service date until 12 months later, the item is considered to be in a period of restriction. During this period, the “donee” may not sell, transfer, loan, lease, or barter, or use as collateral any Federal surplus property. For items with an original acquisition cost of \$5,000 or more, or any titled item regardless of acquisition cost, the period of restriction is 18 months from the date the item was placed into service. At least once during the period of restriction, State agency personnel will conduct utilization reviews of compliance items to determine that these items are being utilized under the terms, conditions, reservations and restrictions imposed by GSA and the SASP. Review will consist of physical inspections or written certification of utilization of property by “donees”, including any special handling or use conditions under [41 CFR 102-37.455](#).

### **Written Certification**

During the 18 month restriction period, a Utilization Review Form will be sent by email six months after the property is invoiced requesting such information as: location of property, how the property is being used, what special purpose it is serving at the institution and any special adaptations or innovations involved or resulting from its use. This form covers the following areas:

- General utilization of all property received
- Compliance with all terms, conditions, reservations, and restrictions imposed on the use of the property

### **Non-Compliance**

Failure of the “donee” to respond or a response that indicates non-compliance with state or federal restrictions shall require further investigation by the SASP. Such investigation may be by means of additional correspondence, telephone follow-up, personal visits, electronic mail, or other means as necessary to ensure proper utilization and control of the property.

The SASP will initiate appropriate investigations of alleged fraud in the acquisition of donated property or misuse of such property. GSA will be notified immediately of any cases involving alleged fraud. Further, GSA shall be advised of any misuse of donated property. The SASP will take necessary actions to investigate cases of fraud or misuse and will assist GSA and other federal and state agencies in investigating such cases. Whenever there is any indication of misuse, noncompliance, or alleged fraud the SASP shall initiate an investigation to determine if further legal actions are required and prepare reports as required. Proper steps will be taken to correct any discrepancies and the appropriate GSA regional office will be notified.

## **Corrective Actions**

If a “donee” is in non-compliance with state or federal restrictions, the SASP may take corrective actions. These may include any or all of the following:

- Temporarily deferring any further donations of property to the “donee”
- Recovering the property for redistribution to another “donee” in Washington or for transfer to another SASP
- Recovering the fair market value or the proceeds of disposal in cases of unauthorized disposal or destruction
- Recovering fair rental value for property in cases where the property has been loaned or leased to an ineligible user or used for an unauthorized purpose
- Disposition by public sale of property no longer suitable, usable, or necessary for donation

## **Consultation with Advisory Bodies and Public/Private Groups**

### **Authority**

The Director of DES has legislative authority to appoint advisory boards under [RCW 43.19.011](#).

### **Purpose of Advisory Board**

The Advisory Board advises the SASP on:

- Relative needs and resources of “donee” organizations
- Utilization of common items, such as vehicles, computers, etc.
- Most-wanted item listings
- Information on how surplus property is meeting current needs
- Service levels of the SASP and new areas of service desired, including comments and recommendations on current service performance
- Other information of interest to “donee” organizations

### **Composition of Advisory Board**

The SASP has an established Advisory Board representing both public and non-profit eligible “donee” agencies, institutions, and organizations. It is comprised of “donee” representatives from the various geographic locations of the state. The manager of Surplus Operations acts as chairperson.

### **Meetings**

The Advisory Board may choose to meet semi-annually. One meeting each year will be held at the SASP offices. The other meeting is hosted by a “donee” in the eastern Washington area. Between meetings, the SASP regularly updates “donee” organizations electronically (e-mail). The SASP will share information on upcoming donation items, especially unusable or high-value items and items that appear infrequently.

## **Audit**

The State Auditor’s Office (SAO) conducts an annual federal statewide single audit in accordance with the Uniform Guidance (formerly OMB Circular No. A-133)



requirements. The SASP is covered within this federal single audit, although the state does not classify it as a major program.

If the SASP is selected for review and audited by the SAO, a copy of the audit report will be provided within 30 days to the federal oversight agency. The SASP will provide its corrective actions and scheduled completion dates to resolve each reported exception.

The General Accounting Office or other federal agencies, may periodically review SASP operations and conduct an audit following due notice made to the SASP manager. All SASP records will be made available to all authorized federal agencies.

In addition to any external audit performed, the SASP will have its agency internal auditor perform a review of its operations and financial affairs once every two years. The results of internal reviews will be documented, reported internally, and retained on file in accordance with state records retention schedules.

The SASP will ensure that all "donees" are aware of the requirement that receiving \$750,000 or more in accumulated federal surplus property, based upon original acquisition cost but adjusted for GSA designated fair market value, requires a Uniform Guidance (former A-133) audit to be performed. The "donee" should determine the total amount received based on the financial statement period used.

## Cooperative Agreements

The Director of DES is authorized by [RCW 39.32](#) to purchase, lease, or otherwise acquire surplus property from federal, state, or local government or any surplus property disposal agency thereof. Further, the Director has the power to promulgate such rules and regulations as may be necessary to effectuate that acquisition by [RCW 39.32.060](#). The State Surplus Operations is authorized to enter into cooperative agreements through and by the Director of the DES with GSA for use of property, facilities, personnel, and services, with or without payment or reimbursement, for use by the SASP of any surplus personal property in its possession subject to conditions imposed by GSA. Such cooperative agreements will comply with [Title 40, USC, Chapter 5, Section 549](#). It is the desire of the DES to enter into, renew, and continue such agreements.

## Liquidation

Public notice will be made should the State of Washington decide to liquidate the SASP. DES will provide a liquidation plan to GSA, in advance, indicating the reason for such action. The plan will include a schedule of time to effect the closure and a report of the federal property on hand for re-transfer, sale, or destruction. State-owned assets will be converted to cash and will be divided among the participating "donees" on a pro-rata basis based on the amount of service charges paid by each "donee" during the two years immediately preceding the decision to liquidate. DES, or another designated successor state agency, will continue to track continuing obligations on property donated prior to the closing of the SASP until such time as those obligations are fulfilled. Records and accounting information will be retained for two years after closure.



## Forms

The SASP currently uses a number of forms to implement and record federal surplus property activity in the State of Washington. In addition, the SASP utilizes information sheets to assist “donee” organizations. Current versions of these forms can be given upon request by Surplus Operations.

## Records Retention

Records will be retained by the SASP as follows:

- A. Copies of all paperwork inventory accountings for allocations, warehouse issue sheets, invoice documents, log books, and all other official records of the agency will be maintained for no less than four years.
- B. Documents concerning items subject to restriction for more than two years will be maintained for one year beyond the expiration of the restriction period.
- C. Records involving property with perpetual restriction will be retained in perpetuity.
- D. Whenever property is in non-compliance status, records will be maintained for one year after the case is closed.

## Fixed Price Sales

Federal agencies may make their exchange/sale property available to the SASP as a negotiated sale at fixed price. This allows the SASP to obtain items for their customers that are not normally available through the donation program. To purchase these exchange/sale assets from the SASP, activities must meet the same eligibility requirements specified for donation recipients stated under Eligible Agencies and Organizations where [Chapter 102.37](#) is outlined.

## Alcohol and Drug-Free Workplace Policy

DES is committed to protecting the safety, health and wellbeing of all employees and other individuals in our workplace. We recognize that alcohol abuse and drug use can pose a significant threat to our goals. We have established an Alcohol and Drug-Free Workplace program that balances our respect for individuals with the need to maintain an alcohol and drug-free environment.

## Non-Discrimination Policy

DES assures that no person shall on the grounds of race, color, national origin, or sex, as provided by [Title VI of the Civil Rights Act of 1964, and the Civil Rights Restoration Act of 1987](#) (P.L. 100.259) be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity. The recipient further assures every effort will be made to ensure non-discrimination in all of its programs and activities, whether those programs and activities are federally funded or not. Close coordination with DES and the GSA Non-Discrimination Memorandum of Agreement reporting requirement ensures proactive compliance.

## References

The following attached documents are used by Surplus Operations in support of the Federal Surplus Property Program:

[Chapter 101.42 – Disposition of Property](#)

[Chapter 102.37 – Donation of Surplus](#)

[Chapter 102.42 – Utilization, Donation and Disposal](#)

[Chapter 39.32 – Acquisition of Property](#)

[Older Americans Act and Aging Network](#)

[RCW 43.19 – Enterprise Services Account](#)

[\[USC07\] 26 USC 501 – Exemption from Federal Income Tax](#)

[\[USC07\] 38 USC 101 – Veteran’s Benefits](#)

[\[USC07\] 40 USC 545 – Procedure for Disposal – Public Buildings, Property, Works](#)

[\[USC07\] 42 USC 3020d – Surplus Property Eligibility – Public Health and Welfare](#)

[\[USC07\] 54 USC 305101 – Definitions –National Park Service and Related Programs](#)