

2026

STATE OF CALIFORNIA

Department of General Services

Office of Fleet and Asset
Management

Federal Surplus Property Program

PLAN OF OPERATIONS

IN COMPLIANCE WITH

41 CFR 102-37 AND PUBLIC LAW 94 - 519

DEPARTMENT OF GENERAL SERVICES | 1700 National Dr Sacramento, CA

PREFACE

The California State Agency for Surplus Property (SASP), State Plan of Operations (Plan), sets forth the operating procedures and practices for the fair and equitable distribution of federal surplus personal property to the following recipients:

- Any public agency to assist in carrying out or promoting for the residents of a given political area, one or more public purposes, such as, but not limited to, conservation, economic development, education, parks and recreation, public health, and public safety.
- Nonprofit, tax-exempt educational or public health institutions, for purposes of education or public health, including research for any such purpose.
- State or local government agencies, and nonprofit, tax-exempt organizations or institutions with programs for the unhoused or in need.
- State or local government agencies, and nonprofit, tax-exempt organizations or institutions, which receive funds appropriated for programs for older individuals.
- Veteran's organizations approved by the Congressional FORVET Act of 2013 in conjunction with the General Services Administration (GSA).
- Nonprofit, tax exempt volunteer fire department/rescue squad, for purposes of public safety.

In developing and implementing this Plan, SASP considers the needs and resources of all public agencies and other eligible institutions and organizations within the State of California.

The operating procedures described in this Plan are in accordance with GSA Regulations appearing in Federal Management Regulation (FMR) [41 CFR Part 102-37](#) (CFR) as revised to accommodate the provisions of Public Law 94-519 enacted October 17, 1976, which amended the Federal Property and Administrative Services Act of 1949. The General Public Notice of this Plan was published at least 60 days prior to its filing with the GSA and interested parties were given at least 30 calendar days to submit comments.

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I. AUTHORITY

The California Legislature enacted, and the Governor signed on June 12, 1984, statutes designating the Department of General Services (DGS), the California state agency responsible for the distribution of federal surplus property in accordance with federal law. A copy of the sections of the California Public Contract Code (PCC) which are pertinent to this authority are being incorporated and made a part of this Plan as Appendix A.

II. DESIGNATION OF STATE AGENCY

DGS is the state agency responsible for administering this Plan throughout the state. Article 5.5, commencing with Section 10383 of Chapter 2 of Part 2 of Division 2 of the California PCC, sets forth the specific provisions under which the SASP operates. In addition, Public Contract Code Sections 10385 through 10389 provide supplemental statutory authority relevant to the acquisition, management, and distribution of surplus federal property by the State Agency for Surplus Property. A copy of these provisions has been incorporated in and made a part of this Plan as Appendix A.

Organization of the Agency:

DGS' Office of Fleet and Asset Management (OFAM), Surplus Property and Reutilization (SPR), Federal Surplus Property Program (FSPP), is the designated office responsible for administering the FSPP as the SASP administrator. Under federal regulations, this entity is designated by the U.S. General Services Administration (GSA) as the State Agency for Surplus Property (SASP). Within California program documentation, this agency may also be referred to as the California State Agency for Surplus Property (CASASP). For purposes of this Plan of Operation, the terms SASP, CASASP, and FSPP administration refer to the same program authority unless otherwise specified. The FSPP manager directs the administration of the program under the supervision of the SPR manager. The location for program operations is at 1700 National Drive, Sacramento, CA 95834. The facility is near Interstate 80 and Interstate 5 freeways. The FSPP manager supervises a team of analysts and support staff consisting of clerical workers and a student assistant. In addition to the FSPP, OFAM administers other state programs including the SPR and the Transit Storage Program in its warehouse facilities. Operating expenses are related based on functional time and space reporting. Charts depicting the organizational structure of the FSPP and its organizational status within OFAM are made a part of this Plan as Appendix B.

III. INVENTORY CONTROL AND ACCOUNTING SYSTEMS

A. SCOPE OF ACCOUNTABILITY

Property included in GSA's Personal Property Management System (PPMS) and the state's Surplus Property Management System (SPMS) includes all property transferred to and distributed by the FSPP.

B. CHECKING PROPERTY INTO AGENCY CUSTODY

1. RECEIPT FOR PROPERTY

- a. In the event of repossession, the FSPP will promptly check all property received against the approved Transfer Order, the Surplus Personal Property Form SF-123 and the holding shipping documents.
- b. The Form SF-123 will be filed separately, in numerical order, by the four-digit receiver number. On Form SF-123, the pre-numbered Distribution Document (DD) (Appendix C) number shall be displayed at the top of the form to enable cross-references between documents.

2. RECORDS PREPARED UPON RECEIPT OF PROPERTY

- a. Receiving Report: A receiving report lists the property description, condition, quantity received, government acquisition cost, original acquisition cost, service and handling charge, and the identification number assigned to the property.
- b. Property Identification Tag: An identification tag will be attached to the property, which will show the identification number assigned, its nomenclature, unit of issue, service, handling charge and date received.
- c. Inventory Records: Inventory records are kept in a computer database and show the property identification number, property nomenclature, quantity received, unit of issue, original acquisition cost of the property, and service and handling charges. The inventory records will be used by SASP to post off property issued on warehouse issue sheets and other property transfer documents.
- d. Overage Report: Upon receipt, if it is found that personal property from a federal installation was not listed on an

approved Form SF-123, or the quantities exceeded the amount approved by GSA on an approved Form SF-123, and the total original acquisition cost of all items not listed on the Form SF-123 is less than \$500, the FSPP will annotate it on the FSPP Overage and Shortage Report to document the overage. The annotation shall include a description of each line item of property not approved for donation, the estimated condition, the estimated fair market value (or acquisition cost if known), and the name of the holding agency from which the property was received. Upon completion of the report, FSPP will forward a copy to GSA. However, when the total of either the estimated fair market value or acquisition cost of all items of property not listed on the Form SF-123 is \$500 or more, the line items will be listed on a Form SF-123. Both the Form SF-123 and the FSPP Overage and Shortage Report will be sent by FSPP to the GSA regional office for approval.

- e. Shortage Report: If it is found that line items or portions of line items of property approved for donation on a Form SF-123 were not received, regardless of the total dollar value, the FSPP will annotate it on the FSPP Overage and Shortage Report to document the shortage. The annotation shall include a description of each line item of property or part thereof not received, the acquisition cost, and the name of the holding agency that shipped the property. Where the total acquisition cost of all line items listed on Form SF-123 that are not received is \$300 or more, the FSPP will prepare and submit to the GSA regional office for the region in which the holding activity is located, a shortage report covering the missing property. The FSPP will advance a copy of the report to GSA.

Overages and shortages shall be reported, where required, within 30 calendar days of the transfer date. In the case of a line item overage or shortage of \$500, the Form SF-123 or an overage and shortage report will be signed by the representative responsible for the FSPP agency and will provide the following information:

- Name and address of the agency.
- All pertinent control numbers, including the holding agency turn-in document number, the GSA transfer order number, the FSPP application number, and line-item number.

- A description of each line item of property, whether it is a shortage or overage, the condition code (estimated if an overage), quantity and unit of issue, and the unit and total acquisition cost (estimated if an overage).

C. PERIODIC VERIFICATION OF PROPERTY ON HAND

If the property is in a temporary holding facility, the FSPP will periodically verify the property on hand. An attempt will be made to inventory all property on hand at least annually; however, property will be inventoried every 24-months. Provisions for any necessary adjustments to inventory records will be made only upon the manager of FSPP's approval. The report will be maintained by the state agency covering all adjustments with justifications and shall be made available for inspection by an authorized individual. Such justification will reflect that all reasonable efforts have been made to ascertain why the property is missing, damaged, or cannot be accounted for.

D. PROCEDURES FOR DIRECT PICK-UP BY DONEE

Upon approval of Form SF-123 by GSA, the following actions will be taken when awarding property to a Donee:

- a. The FSPP completes a Letter of Authorization (LOA) form and forwards a copy to both the agency of pick-up and the Donee.
- b. The Donee picks up the property.
- c. The Donee notifies the FSPP within 48 hours of the property pick-up that the property is either in or not in their possession. Once noticed by Donee, the FSPP will contact the holding agency to determine if Donee obtained the property.
- d. The Donee must sign and date the LOA and email it back to the FSPP. Failure to sign and return this form within 30 days will result in the Donee's suspension from the FSPP until all signed forms are received.

E. TRACING PROPERTY FROM RECEIVING DOCUMENT TO ISSUE DOCUMENT

All property transferred to Donees will be recorded on a pre-numbered DD, and a numerical file of the DD will be maintained. The DD will show nomenclature, the assigned identification number that relates the

property back to the receiving document, the quantity issued, and the service and handling charges assessed. The DD numbers and quantities of property issued will be entered into the computer database. The DD will then be filed in the Donees file for a period of not less than the restriction period plus one year. For property subject to noncompliance action, the DD must be retained for one year following the closure of the noncompliance case.

F. MEANS OF DETERMINING QUANTITY OF VARIOUS TYPES OF PROPERTY DONATED TO INDIVIDUAL DONEES

The FSPP will maintain a set of files, containing copies of the DD listing all property donated. An examination of these files will provide a systematic means of determining the quantities and types of property transferred to individual Donees.

G. FISCAL SERVICES ACCOUNTING SYSTEM

The California FISCAL services provides for a double-entry system, including a chart of accounts, a general ledger with accounts for all assets, liabilities, income, and expenses and journals. All state departments in California utilizes this system. The details of the system are set forth in the California State Administrative Manual (SAM), which is published by control agencies: the Department of Finance (DOF) and DGS.

H. MAINTENANCE OF SEPARATE RECORDS

The FSPP will maintain separate records for donatable property it acquires to perform its functions.

IV. RETURN OF DONATED PROPERTY

All items of property acquired through the FSPP, known as "donations", shall be placed in use for its intended purpose of being acquired within one year of receipt. Additionally, these donations shall be used for an additional year from the date the property was initially placed into use. Longer periods of use may be required for property in certain categories, as provided in [41 CFR Part 102-37](#). In the event the property is not placed in use, or continued in use as required, the Donee shall be required to notify the FSPP, and at the Donee's expense, return such property (donations) to the FSPP. Should the FSPP determine that the property is still usable and available for transfer, the Donee shall make the property available to the FSPP. Shall the FSPP

determine that the property is available for disposal, the Donee agrees to dispose of the property with the written consent of the FSPP, at the Donee's expense. Such property may then be redistributed or disposed of in accordance with [41 CFR Part 102-37](#).

V. FINANCING AND SERVICE CHARGES

The FSPP charges eligible Donees service fees to recover costs associated with property screening, procurement, notification, invoicing, and utilization surveys. The FSPP may reduce or eliminate charges for property found not to be usable for the purpose for which it was procured. All service charges accumulated are to be used for the operation of the FSPP and the benefit of participating Donees. Funds from service charges may cover direct and reasonable indirect costs of agency operations, purchase necessary equipment and supplies, as well as maintain a working capital reserve not to exceed the previous year's total expense.

Any reserve exceeding this threshold will be utilized to reduce service charges over the next year, rehabilitate donable property, including the purchase of replacement parts for donable property, or convert such property to other end products for more efficient use by Donees. Equipment and supplies purchased with service charge funds and no longer needed will be disposed of as per FSPP guidelines with proceeds reinvested into the program. Service charge funds may be deposited or invested through the State Treasury System into the Surplus Property Investment Fund, per Section 16470 of the California Government Code, including investments in securities, bonds, and bank time accounts. All earned income and any funds from asset sales or leases will inure only to the FSPP revolving fund.

Property made available to nonprofit organizations assisting unhoused individuals should be distributed at a nominal cost for care and handling of the property.

Minimal service charges are assessed when FSPP provides document processing only and no other direct costs are involved.

A. BASIS FOR DETERMINING SERVICE AND HANDLING CHARGES:

Service and handling charges will be assessed at a level the FSPP estimates will be sufficient to recover its expenses, including reasonable indirect costs of administering the surplus property program. These charges will be fair and equitable and based on the services performed

by the FSPP. When determining service and handling fees, the following factors will be considered:

- The classification of the organization requesting the property.
- The type or nature of the property that would indicate its usefulness.
- The condition of the property.
- The original government acquisition cost.
- The quantity of property available.
- The current demand for the property.
- The intended use of the property.

The service and handling charges levied by the FSPP will be the greater of either \$100 or a percentage of the Original Acquisition Cost (OAC) on Form SF-123. Should the year-end retained earnings in the Surplus Property Fund exceed expenses, the FSPP may prorate refunds of service and handling fees to Donees until the amount of expenses equals retained earnings. Nonpayment of the fee by a Donee will result in the suspension of the Donee from the FSPP.

To the FSPP, the following fee structure based on the OAC shall be administered to all participant Donees:

Original Acquisition Cost	Handling Fee
< \$15,000	0-30%
\$15,001 - \$500,000	0-20%
\$500,001 - \$1,000,000	0-5%
> \$1,000,001	0-1%

- a. Donee will be responsible for reimbursing any applicable charges, in addition to the service and handling fee.
- b. In a federally declared state of emergency, the FSPP may elect to waive service and handling fees on a case-by-case basis.
- c. The handling charge may be reduced by OFAM Chief.
- d. Upon request from Donee, provided it is determined that the charge is unrealistic in view of its research and development costs, incompleteness due to missing parts, or its general deteriorated condition.
- e. To stimulate interest in the utilization of specific property by eligible Donees.

- f. The government acquisition cost may be revised with approval from the OFAM Chief when an unrealistic cost is originally provided. GSA has sent a change request, and supporting documentation may be provided. GSA then sends an approval confirmation back to the FSPP.

To accommodate the Donees, FSPP will combine multiple items under one SF-123 form. This will only occur if the following guidelines are met for all the items being transferred:

- I. Items must all have the same release date.
- II. All items must be located and obtained at the same location.

VI. TERMS AND CONDITIONS ON PROPERTY ELIGIBLE FOR DONATION

All surplus property donated to activities and institutions determined to be eligible under Section 203 of the Federal Property and Administrative Services Act of 1949, as amended, will be subject to such terms, conditions, reservations, and restrictions as are cited on the DD (Appendix C), Certifications and Agreements (Appendix D). In all instances, the FSPP will impose upon the Donee the basic federal minimum requirement that all property donated, regardless of acquisition cost, must be placed in use within one year and be used continuously for one year after placement. The Donee will be required to agree to any special handling or use limitation imposed by the GSA on any property listed on the FSPP DD.

The FSPP will impose terms, conditions, reservations, and restrictions on the Donee in the case of any property donated having a unit acquisition cost of \$5,000 or more and passenger motor vehicles described in Federal Supply Classification 2310. The period of restriction on this type of property is 18 months from when the property is put into use.

All Donees, hereafter known as 8(a), whose eligibility to participate in the FSPP is pursuant to the Memorandum of Agreement between the United States Small Business Administration (SBA), the GSA and the FSPP, may not sell, lend, lease, rent, bail or otherwise transfer to any other person or entity, including affiliates, any property until one year after the Donee graduates the 8(a) Business Development Program. During this time, the FSPP and/or the SBA and GSA may exercise their right to view donated property in the custody of the 8(a) Donee.

Additionally, the FSPP may impose reasonable terms, conditions, reservations, and restrictions on the use of property eligible for donation other than that described above. Should Donees not utilize the property in accordance with the Terms and Conditions, the FSPP reserves the right to revoke the Donee's participation in the FSPP program.

Non-combat aircraft and vessels of fifty feet in length or more must be placed into use by the Donee within one year of donation and must be used for sixty months from the date after being placed into use. Such donations shall be subject to the requirements of the Conditional Transfer Document (CTD) [PPMS.Gov - Non-Combat CTD Form](#).

Combat-type aircraft and weapons are restricted in perpetuity. Such donations shall be subject to the requirements of the CTD [PPMS.Gov - Combat CTD Form](#).

FSPP reserves the right to verify the use of all property donated to an organization without prior notification given to the Donee.

The FSPP will retain the right to amend, modify, or release conditions, reservations, or restrictions as may be imposed, except the FSPP may not amend, modify, or release those terms, conditions, reservations, or restrictions imposed by federal law or the GSA. The FSPP will grant such amendments, modifications, or releases in accordance with the following standards, provided that the conditions pertinent to each situation have been affirmatively demonstrated to the prior satisfaction of the FSPP and have been made a matter of record.

A. SECONDARY UTILIZATION OR CANNIBALIZATION:

If property is requested for cannibalization prior to allocation to SASP, GSA must approve this request. See Title 41 CFR §102-37.220.

- a. If property is requested for cannibalization prior to donation or after donation and if such action will result in increased use of the property FSPP may approve this request per 41 CFR §102-37.465.
- b. Secondary utilization or cannibalization may be accomplished provided that: Disassembly of the item for use of its component parts for secondary use or repair and maintenance of a similar item has greater potential benefit than utilization of the item in its existing form.
- c. Items approved for disassembly or cannibalization will remain under the period of restriction imposed by the transfer document

pending completion of the proposed secondary use or cannibalization.

A written report of such action is made by the Donee to the FSPP, including a list of all components resulting from the secondary utilization or cannibalization which have a single item OAC of \$5,000 or more. These components will remain under the restrictions imposed by the transfer document. Components with a single item, OAC of less than \$5,000, will be released from the restriction imposed by the transfer document. However, these components will continue to be used or be otherwise disposed of in accordance with applicable laws and regulations.

B. RELEASE OF RESTRICTIONS:

Restrictions placed on donated property by the FSPP may be lifted only under specific conditions. These include: the property must not have been misused or left unused; the donee must compensate the FSPP with an amount equal to the fair market value at the time of donation, minus a credit for the period the property was used for its intended purpose during the restriction period; the property must have been in use for at least 12 months; and the FSPP must determine that lifting the restriction will not result in an undue financial benefit to the donee.

C. REVISION OF THE ACQUISITION COST:

The acquisition cost of an item may be revised provided that the request is made in writing by the Donee, and it is determined by the FSPP that the listed acquisition cost is unrealistic in view of its research and development costs, its incompleteness due to missing parts, or its generally deteriorated condition. Any negotiated price below the current service and handling fee or more, shall require written approval by the FSPP manager.

D. DESTRUCTION AND ABANDONMENT:

A donated item of personal property may be destroyed or abandoned by a Donee when it is determined that the item has no commercial value or the estimated cost of its continued care and handling would exceed the estimated proceeds from its sale. The Donee must provide evidence to warrant either the destruction or abandonment of the item. The FSPP determination shall be made in writing and the FSPP shall

prescribe the means and methods whereby the property shall be destroyed or abandoned.

E. ENFORCEMENT OF COMPLIANCE:

The enforcement of the terms and conditions, reservations and restrictions imposed by the FSPP on donated property, or the remedy for breaches of such terms and conditions, may be satisfied:

- When payment is made to the FSPP of all fair rental values due and payable for any unauthorized use of donated property.
- When payment is made to the FSPP of either the fair market value or gross proceeds of sale, whichever is in the best interest of the State, for the unauthorized disposal or destruction of donated property.
- When donated property is recovered by the FSPP, custody accountability and distribution of such reverted property are the responsibility of the FSPP.
- A Donee may request a time extension to the one (1) year in-service agreement, if the delay is beyond control and without fault or negligence of the Donee. Both FSPP and GSA must approve this request.
- Items that cannot be placed into use for the purpose acquired within the allotted timeframe will be transferred to another eligible Donee or will be returned to FSPP at the Donee's expense, and in the condition in which it was originally received by the Donee.

F. REDUCTION IN THE PERIOD OF RESTRICTION:

Provided an item of donated property is not in noncompliance status, a reduction in the period of restriction may be authorized when a revised standard covering the period of restriction is promulgated by the FSPP.

G. LIMITATIONS:

These provisions are not applicable to:

- a. Donated military-type aircraft, or other items of property on which GSA has imposed special handling conditions or use limitations.
- b. Property which was not placed in use for the purposes for which were acquired within one year from the date the property was received by the Donee and continued in use for one year from the date the property was placed in use, except with respect to secondary use or cannibalization as provided in FMR 102-37.320.

VII. NON-UTILIZED PROPERTY ELIGIBLE FOR DONATION

Surplus property in the possession of the FSPP which, as determined by the responsible FSPP representative cannot be utilized by Donees within the State will be reported to the appropriate GSA Regional Office for transfer to another state agency, or sale by GSA. In the event the personal property has either no commercial value or the cost of its continued care and handling would exceed the estimated proceeds from sale, the state agency may petition GSA for abandonment or destruction of the property in accordance with the provisions of [FMR 102-37](#).

VIII. FAIR AND EQUITABLE DISTRIBUTION

The FSPP will provide for the fair and equitable distribution of property within the 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. Factors which will be considered in providing for fair and equitable distribution are as follows:

A. RELATIVE NEEDS:

In considering requests from potential recipients, the criteria for determining the relative needs will be:

- a. Nature and scope of program conducted.
- b. Contemplated use and frequency of use.
- c. Economic condition of agency, activity or institution.
- d. Critical or urgent need.
- e. Geographical location (urban, suburban or rural).
- f. Interest and expression of need on the part of the Donee in the property available.

B. RELATIVE RESOURCES:

In considering requests from potential recipients, the criteria for determining relative resources will be:

- a. Funding source and availability (grants, donations, taxes, etc.).
- b. Equipment availability.

C. ABILITY TO UTILIZE:

In considering requests of potential recipients, the criteria for evaluating ability to utilize property will be:

- a. Length of time in contemplated usage.
- b. When can item be put in use.
- c. Availability of funds to repair or maintain property in use.
- d. Ability of the Donee to select and remove property from the distribution center or Federal activity on a timely basis.
- e. Type and quantity of property received by the Donee to date.

Other methods of achieving fair and equitable distribution will include, but will not be limited to, placing limits on the quantity of any given item, or types of items, that will be donated to Donees. Periodically, flyers may also be prepared listing items of general interest currently available for inspection and selection and mailed to all Donees. Additionally, an internet web page may be accessible for Donees to review federal surplus goods.

Another means which will be used to achieve fair and equitable distribution of property in great demand and short supply will be with a "Wish List" system. This system will also assist outlying Donees in acquiring desirable and useful items of surplus property. To place a request on the

“Wish List”, Donees will provide program personnel a list of the property desired and how it will be used. The requests will be filed at the FSPP by category of the property requested. Donees will be notified when a requested item becomes available. In instances of competing requests for property the factors cited in paragraphs A, B, and C above will be used to determine who will be offered the property first.

IX. ELIGIBILITY

Eligibility requirements for Donees shall be established pursuant to [Title 41 CFR § 102-37.380](#) through § 102-37.395. The FSPP shall follow the definitions and criteria outlined in 41 CFR § 102-37.380 and related sections to determine and approve Donee eligibility.

Eligibility for participation in the FSPP shall be determined in accordance with the applicable federal regulations outlined in Title 41 of the CFR, Part 102-37—specifically §102-37.380 through §102-37.395 — as well as guidance provided in the GSA Federal Surplus Personal Property Donation Program Handbook. These sources shall be used to define and validate the eligibility of Donees, including but not limited to public agencies, nonprofit educational or public health institutions, and programs for the elderly or homeless. See [Personal Property Management System - User Guide](#) → Donation Handbook.

A. ESTABLISH ELIGIBILITY:

Applicants will be required to provide:

- a. Legal name and address of organization.
- b. Status of the Donee as a public agency or as an eligible nonprofit activity.
- c. Donees must demonstrate financial stability and the availability of funds needed to acquire property. This may be verified through submission of a funding source and financial information at the time of application.
- d. Assurance that the Donee will comply with GSA's regulations and nondiscrimination guidelines.
- e. Assurance that the Donee will comply with the outlined terms, conditions, certifications, reservations and restrictions set by CASASP.

1. PUBLIC AGENCIES MUST ALSO PROVIDE:

- a. Proof of public agency status.

2. Nonprofit organizations must also provide:

- a. Proof of tax exemption under section 501 of the Internal Revenue Code.
- b. Proof that the organization is approved, accredited, licensed, or meets any other legal requirements for operation of its program.
- c. Provide any additional item requested by FSPP or GSA.
- d. Applicants must provide a list of specific property items needed or the general categories of properties needed.

3. SBA VETERAN OWNED BUSINESS AND SBA 8A

- a. Veteran Owned Small Business must provide a copy of their Veteran Owned SB Certification and current business license.
- b. SBA 8a applicants enter the program through an SBA 8a District Office Representative. Aside from the completed eligibility application, the SBA 8a District Office Representative also provides the applicant's SBA 8a eligibility determination letter.

B. MAINTAINING ELIGIBILITY:

The Donee is responsible for maintaining eligibility. The Donee will be required to:

- a. Re-apply for eligibility at least every three years, when authorizing official changes, when the services the organization provides changes, and as otherwise necessary.
- b. Provide up-to-date licenses, accreditations, or approvals.

C. FAILURE TO MAINTAIN ELIGIBILITY:

If the Donee fails to maintain their eligibility for any reason, the Donee is automatically suspended from the Federal Surplus Donation Program until they regain their eligibility, if applicable.

D. DETERMINATION OF INELIGIBILITY:

If a Donee ceases to meet eligibility requirements (e.g., loses tax-exempt status, accreditation, or is no longer using property per conditions), the FSPP shall:

- a. Immediately suspend provision of surplus property.
- b. Require return of any property still under federal restrictions.
- c. Document the cause and send notice of ineligibility to the organization.

E. CONDITIONS FOR REGAINING ELIGIBILITY

A previously ineligible organization may be reinstated only after:

- a. Remediation: Fully correct issues causing ineligibility, including restoring nonprofit status or accreditation.
- b. Reapplication: Submit a new eligibility package to FSPP, including
 - o Current IRS 501(c)(3) determination or state tax-exempt certificate.
 - o Accreditation or licensing documentation (if required).
 - o A written statement affirming proper and current use of all previously donated property.
 - o Any additional documentation required by DGS.

F. DGS REVIEW AND DECISION

Upon receiving the reapplication, DGS shall:

- a. Review completeness of submitted documents.
- b. Verify compliance with eligibility criteria per federal regulation (41 CFR § 102-37) and California SASP plan of operations.
- c. Conduct virtual or physical site inspection if necessary to confirm corrective measures.
- d. Within 60 days, provide written notification of decision – either:
 - o Reinstatement of eligibility; or
 - o Further deficiency notice, with specifics on unmet requirements.

G. EFFECT OF REINSTATEMENT

If reinstated, the Donee becomes eligible to:

- a. Resume participation in the federal surplus donation program.
- b. Request and receive new surplus items under standard terms.
- c. Receive no retroactive property for the suspension period.

H. CONDITIONAL REINSTATEMENT

At DGS's discretion, conditional eligibility may be granted for up to 12 months to organizations which:

- a. Are newly formed or awaiting final approval/accreditation and provide credible evidence of pending approval.
- b. Provide all other eligibility documentation.
- c. Commit in writing to comply fully when conditions are met.
- d. Are only authorized to receive immediately usable surplus property.
- e. Must return all property if conditions are not fulfilled by the deadline.

X. COMPLIANCE AND UTILIZATION

The FSPF will conduct utilization reviews for compliance by Donees with the terms, conditions, reservations and restrictions imposed by the FSPF for either any item of property having a unit acquisition cost of \$5,000 or more, or any passenger motor vehicle. Such reviews will also include a verification of compliance by the Donees with any special handling conditions or use limitations imposed on items of property by the GSA, as well as the statutory requirement that all property acquired by the Donee be placed into use within one year of acquisition and used for one year thereafter. Utilization reviews will be made either by email, video call, or by on-site inspection at least once during the restriction period. Following an on-site visit, the FSPF representative will prepare a report on either the use of or lack of property still under Federal or State restrictions, which are statutorily required. If there are indications of stockpiling or misuse of donated property, this will be covered in the report. The Surplus Property Manager in charge of the division originating the report will review these reports.

The FSPF will take effective action to correct non-compliance or otherwise enforce the terms, conditions, reservations and restrictions placed on the use of donated property and initiate an appropriate investigation on property misuse or alleged fraud in the acquisition of donable property.

A. NON-COMPLIANCE AND BREACH OF TERMS AND CONDITIONS

In the case of a breach of the terms and conditions, certifications, reservations, or restrictions are initially suspected or reported to FSPF the following actions must be taken:

- a. FSPP immediately notifies the GSA regional office who will report it to the GSA Office of the Inspector General.
- b. The FSPP will assist GSA or other responsible Federal or State agencies in investigating such cases upon request.
- c. All further donations will be halted until an investigation is concluded.

If a breach of the terms, conditions, certifications, reservations or restrictions is confirmed, GSA and the OFAM Chief must be notified, and a non-compliance case will be opened. Then one of the following actions may be taken with GSA's written consent or instruction:

- a. The donated property is recovered by FSPP. This can include all property donated to an organization and is not limited to the one piece being misused.
 - d. Payment is made by the Donee of any and all fair rental values for any unauthorized use of donated property. Payment will be made either to GSA if the property is under federal restrictions or to FSPP if the property is under state restrictions, at the time of misuse.
- b. Payment is made by the Donee of either the fair market value or gross proceeds of sale, for the unauthorized disposal or destruction of property. Payment will be made to either GSA if the property is under federal restrictions or FSPP if the property is under state restrictions, at the time of disposal or destruction.
- c. FSPP at times may have to work with local law enforcement, State Police, the Federal Bureau of Investigation, or other federal agencies to carry out a non-compliance investigation or action. The OFAM Chief must be notified if an investigation or action reaches this point.

XI. CONSULTATION WITH ADVISORY BODIES AND PUBLIC AND PRIVATE AGENCIES

The FSPP may consult with advisory bodies and public and private agencies which can assist the FSPP in determining the relative need and resources of Donees, the utilization of donable property by eligible Donees and how distribution of donable property can be affected to fill existing needs of Donees. Such consultation will be accomplished through meeting with Donees, written notices, telephone requests and other documents as presented expressing need and interest in donable property. FSPP

representatives will be available for groups representing public agencies and other eligible Donee institutions and organizations within the State.

The FSPP will solicit statements of need and interest from public agencies and other eligible Donee organizations within the State to advise GSA of such requirements, including requirements for specific items of property.

The FSPP may create a committee to serve as an advisory body to the FSPP to ensure that distribution of federal property to eligible recipients will be accomplished fairly and equitably. If such a committee is created, the membership shall be representative of a cross section of those organizations that are eligible recipients, and the members shall serve without compensation.

XII. AUDIT

The FSPP will provide for periodic internal audits of the operations and financial affairs of the agency. An internal audit team within the DGS will make internal audits at least once every three years. External audits will be conducted in accordance with the requirements of the Single Audit Act of 1984, Public Law 98-502. External audits shall include a review of the conformance of the FSPP with the provisions of the State Plan of Operations and the requirements governing the donation of federal surplus personal property. Two copies of those sections that pertain to the Federal Donation Program audit shall be furnished in a timely manner to the appropriate GSA regional office, and the GSA regional office shall be advised by the FSPP of all corrective action taken with respect to any exceptions or violations indicated by the audit.

Periodically, GSA representatives may visit the FSPP to coordinate program activities and review the FSPP operations. GSA may, for appropriate reasons, conduct its own audit of the FSPP following due notice to the OFAM Chief and the reasons for such an audit. Financial records and all other books and records of the FSPP shall be made available for inspection by representatives of GSA, the General Accounting Office, or other authorized federal activities.

XIII. COOPERATIVE AGREEMENTS

The FSPP may enter into a cooperative agreement with GSA providing for retention by the FSPP of items of surplus personal property made available to it for distribution that are needed by the FSPP in performing its donation function. The FSPP's authority to enter into such agreements is contained in

Section 10383.2 of Article 5.5 of Chapter 2 of Part 2 of Division 2 of the California Public Contract Code which has been made a part of this Plan under Appendix A, authority of surplus property program. In cases in which a federal agency designated by the GSA wishes to enter into a cooperative agreement with the FSPP, or the FSPP with a federal agency, for the provision of property, facilities, personnel, or services to carry into effect the donation provisions of the Act, and the federal agency and the FSPP are mutually agreeable to an arrangement, the GSA may concur in the establishment of a cooperative agreement and assist in its development. Payment or reimbursement will be a matter for resolution between the federal agency and the FSPP. Cooperative agreements entered between GSA and the FSPP may be terminated by either party upon 60 days written notice to the other party. Termination of the agreement between a federal agency designated by the GSA and the FSPP will be mutually agreed to by the parties. Other specific types of cooperative agreements the FSPP desires to enter or renew, when necessary, include, but are not limited to, use of the Federal Telecommunications System, interstate cooperative agreements, use of federal facilities, purchase for resale, and overseas property agreements.

XIV. LIQUIDATION

The FSPP will, upon a determination to liquidate the FSPP, submit a plan for liquidation to the Administrator of GSA in accordance with the provisions of FMR 102-37.320. The liquidation plan shall be submitted before the actual termination of the FSPP activities and shall include:

- a. Reasons for liquidation.
- b. A schedule for liquidating the agency and the estimated date of termination.
- c. Method of disposing of surplus property on hand which will be consistent with federal regulations.
- d. Method of disposing of the agency's physical and financial assets.
- e. Retention of all available books and records of the FSPP for a two-year period following liquidation.
- f. Designation of another governmental entity to serve as the agency's successor in function until continuing obligations on property donated prior to the closing of the agency are fulfilled.

XV. FORMS

Copies of distribution documents used by the FSPP are included in Appendix C and made part of this Plan.

For signature verification on the distribution documents, copies of FSPP Eligibility Applications, Vessels, Combat and Non-Combat Aircraft's transfer, compliance and release documents, will be kept with all distribution documents. This copy will be verified by an FSPP staff member for each property that is allocated. Applicable forms may also be found on the PPMS website.

XVI. RECORDS

Official records of the FSPP will be retained for a period of no less than three years following the close of the federal fiscal year to which they pertain. In cases involving property subject to restrictions exceeding two years, records will be retained for one year beyond the specified period of restriction. Additionally, for property that complies with status requirements at the end of the restriction period, records will be retained for at least one year following the completion of the compliance action.

XVII. DONEE ACCOUNT BILLING

A. GUIDELINES FOR DONEE ACCOUNT BILLING:

- a. Donees are required to have the necessary funds available, at the time of purchase, to offset the service and handling charge required for payment.
- b. A signed invoice is retained and placed into digital storage.
- c. Donee accounts are billed at the end of each business day for the total amount owed. Billing is sent via mail that includes a copy of the invoice and an overall account statement.
- d. Payment is accepted only from the Donee organization that received the property, or the parent organization that pays the operational expenses of the Donee.
- e. Payments are recorded and posted monthly. Accounts are kept current.

B. LATE OR NON-PAYMENT:

- a. Accounts are issued with a billing statement at the first of each month.

- b. Statements not paid within thirty (30) days from the date of issuance are delinquent and the Donee is placed under temporary suspension from further participation. Delinquent accounts are sent a suspension letter at thirty-one (31) days.
- c. If the Donee's account reaches sixty (60) days past due the Donee will be placed on a one-year pay-as-you-come basis, at which time action may be taken to retrieve the unpaid property.
- d. If the property is retrieved due to non-payment the Donee will be placed on a six (6) month suspension from the program.
- e. If a check received for payment is returned as "insufficient funds" the Donee will be placed under a six (6) month suspension from the program.

XVIII. SEGREGATION OF FUNDS

Pursuant to California Public Contract Code § 10383.5, all cash resources from federally transferred surplus personal property are deposited into the Service Revolving Fund in the State Treasury, and all related costs incurred by the Department of General Services are paid from that fund. While this statutory framework consolidates receipts and expenses within the Service Revolving Fund, SASP maintains a dedicated accounting structure including a unique cost center, specific account and alternate account codes, and distinct financial reporting exclusively for the FSPP. This ensures transparency, prevents co-mingling of funds with other programs, and enables precise tracking of revenues and expenditures related to federal surplus property. All cash resources deposited in the Service Revolving Fund pursuant to California Public Contract Code § 10383.5 that are derived from federally transferred surplus personal property shall be used exclusively for the FSPP. Such funds shall not be used for any other purpose, activity, program, or expense not directly related to the administration, management, or delivery of the FSPP.

APPENDIX A

PUBLIC CONTRACT CODE

STATE PROCUREMENT §10383.

Article 5.5

FEDERAL SURPLUS PERSONAL PROPERTY

Section

10383. Designated agency for distribution of federal surplus personal property.

10383.1 Duties of department.

10383.2 Cooperative agreements with federal agencies.

10383.3. Advisory committee.

10383.4. State plan of operation.

10383.5. Surplus personal property revolving fund.

10383.6. Transfer of records, money, property, etc.

10383.7. Transfer of officers and employees.

10383.8. Rules and regulations

10383-89. Purchase of Federal Surplus Property

Article 5.5 was added by Stats. 1984, c. 196, §8, June 13, 1984, operative July 1, 1984

Cross References

Federal Surplus Property Acquisition Law of 1945, see Government Code §54140 et seq.

United States Code Annotated

Disposal of surplus property, see 40 U.S.C.A. § 484.

§ 10383. Designated Agency for Distribution of Federal Surplus Personal Property

The Department of General Services is hereby designated as the agency for the State of California responsible for distribution of federal surplus personal property, excepting food commodities, in accordance with subdivision (j) of Section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. Sec. 484), as amended, and succeeds to and is vested with the duties, purposes, responsibilities, and jurisdiction heretofore exercised by the State Department of Education with respect to the distribution of federal surplus personal property, excepting the duties, purposes, responsibilities, and jurisdiction exercised by t

The State Department of Education with respect to the distribution of federal surplus food commodities.

(Added by Stats. 1984, c. 196, §8, eff. June 13, 1984, operative July 1, 1984)

Historical Note

Section 8.5 of Stats. 1984, c. 196, provided:

"This act shall become operative on July 1, 1984, unless it is chaptered after July 1, 1984, in which case it shall become operative on the date on which it is chaptered [June 13, 1984]."

§ 10383.1. Duties of Department

The department shall cooperate with the federal government and its agencies in securing the expeditious and equitable distribution of surplus personal property of the federal government, excepting food commodities, to eligible institutions in California, assist those institutions in securing that property, and do all things necessary to the execution of its powers and duties as the state agency for the distribution of federal personal surplus property, excepting food commodities, in accordance with subdivision (J) of Section 203 of the Federal Property and Administrative Services Act of 1949, as amended.

(Added by Stats. 1984, c. 196, § 8, eff. June 13, 1984, operative July 1, 1984.) 40 U.S.C.A. 484.

CONTRACTING BY STATE AGENCIES

Div. 2

Historical Note

For operative date provisions of Stats. 1984, c. 196, see Historical Note under §10393.

§ 10383.2. Cooperative Agreements with Federal Agencies

The department may enter into cooperative agreements with, and may provide for utilization by, federal agencies, with or without payment or reimbursement, of the property, facilities, personnel, and services of the department in carrying out the purposes of this article.

(Added by Stats. 1984, c. 1986. §8, eff. June 13, 1984, operative July 1, 1984)

Historical Note

For operative date provisions of Stats. 1984, c. 196, see Historical Note under §10383

§10383.3. Advisory Committee

The Director of General Services may create a committee to serve as an

advisory body to the department to ensure that distribution of federal surplus personal property to eligible recipients will be accomplished fairly and equitably. If such committees are created, the membership shall be representative of a cross section of those institutions that are eligible recipients, and the members shall serve without compensation but shall be reimbursed for any actual and necessary expenses incurred in connection with the performance of their advisory function.

(Added by Stats. 1984, c. 1986, § 8, eff. June 13, 1984, operative July 1, 1984.)

Historical Note

For operative date provisions of Stats. 1984, c. 196, see Historical Note under §10383.

§ 10383.4. State Plan of Operation

The department shall develop a detailed State Plan of Operation in accordance with subdivision (j) (4) of Section 203 of the Federal Property and Administrative Services Act of 1949, as amended, and the Governor shall certify and submit the Plan to the Administrator of the Federal GSA.

(Added by Stats. 1984, c. 1986, § 8, eff. June 13, 1984, operative July 1, 1984.)

Historical Note

For operative date provisions of Stats. 1984, c. 196, see Historical Note under § 10383.

§ 10383.5. The cash resources of the Surplus Property

Hardware Program from surplus-personal property transferred to this state in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. Sec. 484(j)) shall be deposited in the Service Revolving Fund in the State Treasury, created pursuant to [Section 16420](#) of the Government Code. All costs of the Department of General Services attributable to the distribution of surplus personal property pursuant to this article shall be paid from the Service Revolving Fund.

Historical Note

For operative date provisions of Stats. 1984, c. 196, see Historical Note under § 10383 '40 U.S.C.A. § 484

§ 10383.6. Transfer of Records, Moneys, Property, etc.

The Department of General Services shall have the possession and control of all records, papers, offices, equipment, supplies, moneys, funds, appropriations, land, and other property real or personal held for the benefit or use of the State Department of Education in the performance of the duties, powers, purposes, responsibilities, and jurisdiction pertaining to surplus personal property, excepting food commodities, that on the operative date of this section are vested in the Department of General Services.

(Added by Stats. 1984, c. 1986, §8, eff. June 13, 1984, operative July 1, 1984.)

Historical Note

For operative date provisions of Stats. 1984, c. 196, see Historical Note under 8 10383

§ 10383.7. Transfer of Officers and Employees

All officers and employees of the State Department of Education as mutually agreed by the Department of General Services to be on the operative date of this section serving in the State civil service, other than as temporary employees, and engaged in the performance of the function vested in the Department of General Services by this article shall be transferred to the Department of General Services. The status, position, and rights of such people shall not be affected by the transfer and shall be retained by them as officers and employees of the Department of General Services pursuant to the 'State Civil Service Act, except for positions exempt from civil service.

(Added by Stats. 1984, c. 1986, §8, eff. June 13, 1984, operative July 1, 1984.)

Historical Note

For operative date provisions of Stats. 1984, c. 196, see Historical Note under §10383

§ 10383.8. Rules and Regulations

The department may make all the rules and regulations consistent with the law for the purpose of carrying into effect the provisions of this article. Those rules and regulations shall be adopted, amended, or repealed in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(Added by Stats. 1984, c. 1986, §8, eff. June 13, 1984, operative July 1, 1984)

Government Code §18500 et seq

ARTICLE 6. Purchase of Federal Surplus Property [10385 - 10389]

(Article 6 added by Stats. 1983, Ch. 1231, Sec. 4.)

§10385.

The department may purchase, lease or otherwise acquire from the federal government or any agency thereof for use of state agencies, surplus real property, including buildings, fixtures, and equipment situated thereon, whenever in the department's judgment the purchase or acquisition and the terms and conditions thereof are in the best interests of the state.

(Added by Stats. 1983, Ch. 1231, Sec. 4. Effective September 30, 1983.)

§10386.

Any and all negotiations with the federal government or its agencies for or in connection with the purchase or acquisition of such property, and all activities, functions and responsibilities pertaining thereto, are hereby vested in and shall be assumed and conducted exclusively by the department. No other state officer or agency shall, except on the authorization of the department, negotiate with the federal government or its agencies for or in connection with the purchase or acquisition of such property. Any state agency may inspect such property to determine whether the same would be useful in the performance of its duties and may make recommendations to the department concerning the same.

(Added by Stats. 1983, Ch. 1231, Sec. 4. Effective September 30, 1983.)

§10387.

The department shall do all of the following:

(1) Keep in constant touch with federal agencies charged with the sale or disposition of federal property and secure from them full details as to the nature and availability of the property and the terms and conditions under which it can be purchased or acquired.

(2) Transmit information thus secured to all state agencies in order that they may possess complete and up-to-date information as to the nature and selling price of available property.

(3) Prescribe procedures consistent with this article to be followed by state agencies in requisitioning and paying for the property and inform them of the procedures.

(Added by Stats. 1983, Ch. 1231, Sec. 4. Effective September 30, 1983.)

§ 10388.

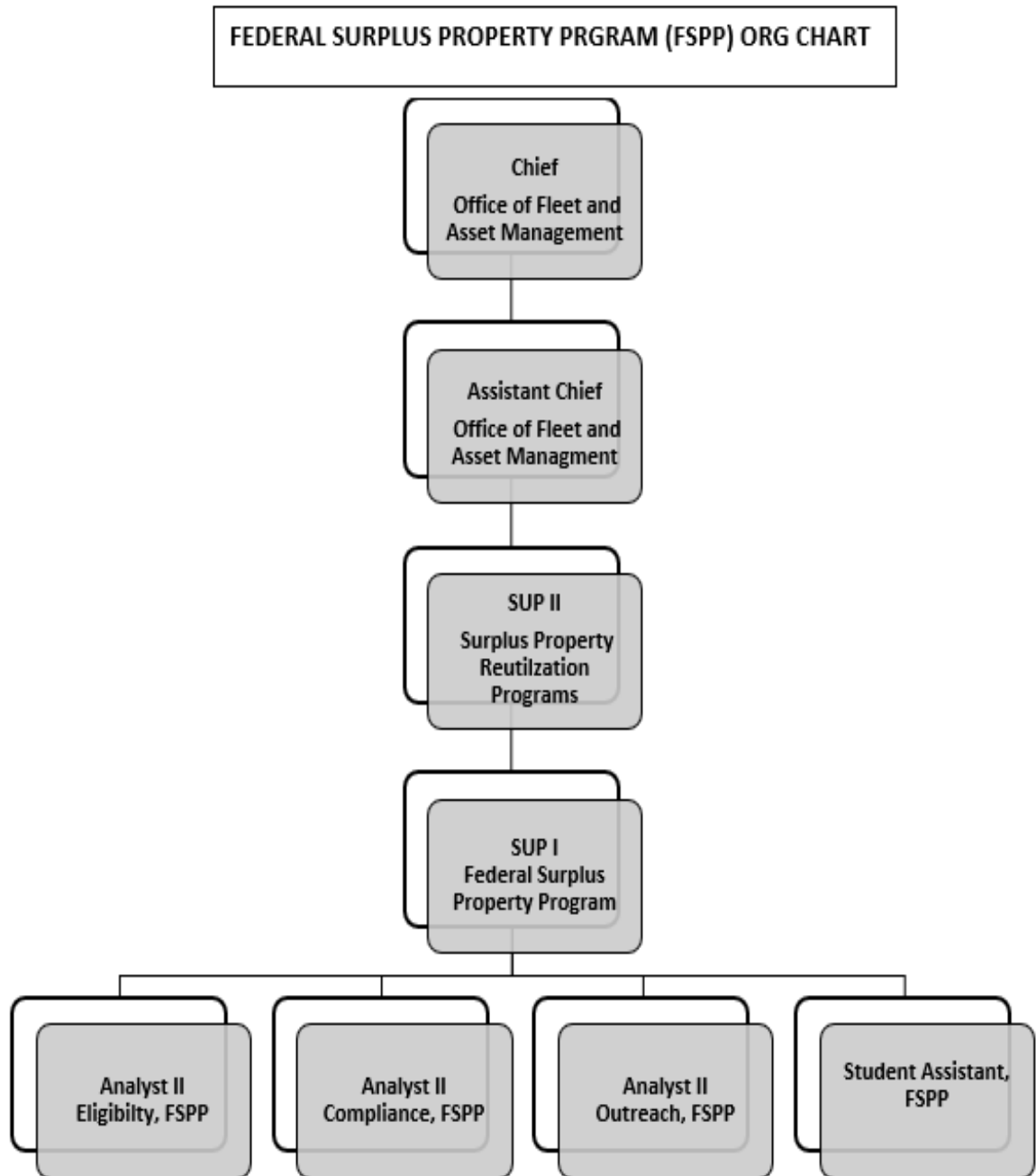
Unless otherwise prescribed by the department, state agencies desiring to purchase or acquire federal property shall submit their estimates or requisitions therefore to the department, and shall pay for the property, in accordance with existing laws governing state purchases.

(Added by Stats. 1983, Ch. 1231, Sec. 4. Effective September 30, 1983.)

§ 10389.

This article shall not apply to the Trustees of the California State University.

APPENDIX B



APPENDIX D

State of California – Department of General Services
 Office of Fleet and Asset Management
 DGS OFAM CASAS Terms and Conditions (Rev. 05/2018)

**Certifications and Agreements including Terms, Conditions, Reservations and Restrictions to be included
 On Agency Issued or Distribution Documents
 The Donee Certifies That:**

- 1) It is a public agency; or an approved non-profit institution or organization, exempt from taxation under Section 501 of the Internal Revenue Code of 1986; within the meaning of Section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, and the regulations of the General Services Administration (GSA).
- 2) The property is needed and will be used by the recipient for carrying out for the residents of a given political area one or more public purposes, or, if a nonprofit tax-exempt institution or organization or 8(a) business, the property is needed for and will be used by the recipient for educational or public health purposes, or for programs for older individuals, or for business purposes. The property is not acquired for any other use or purpose, or for sale or other distribution; or for permanent use outside the State, except with prior approval of the CSASP.
- 3) Funds are available to pay any and all costs and charges incidental to the receipt of surplus property, and that property is not being acquired for any other use(s) or purpose(s), is not for sale. The fee schedule is available upon request from the CSASP.
- 4) Any transaction shall be subject to the nondiscrimination regulations governing the donation of federal surplus personal property issued under Title VI of the Civil Rights Act of 1964 (41 USC 2000d-2000d-4a), as amended, section 504 of the Rehabilitation Act of 1973, as amended, Title IX of the Education Amendments of 1972, as amended, section 303 of the Age Discrimination Act of 1975, and the Civil Rights Restoration Act of 1987.
- 5) If the Donee is designated by the Federal Small Business Administration 8(a) Program as a socially and economically disadvantaged small business and the SBA and CSASP have both determined the Donee is eligible to receive federal surplus property as a donation, the Donee certifies that the property acquired is needed and will be used solely for the conduct of the Donee's business enterprise; and the Donee certifies to A. (3), (4) and (5).

The Donee Agrees to the Following Federal Conditions:

- 6) All items of property, other than items with a unit acquisition cost of \$5000 or more and passenger motor vehicles, regardless of acquisition cost, shall be placed in use for the purpose(s) for which it was acquired within one year or receipt, and shall be placed in continuous use for one year from the date the property was placed in use. In the event the Donee does not place the property in use, or continuous use, the Donee shall immediately notify the CSASP, and, at the Donee's expense, make the property available for transfer or other disposal as directed by the CSASP.
 - 7) Special handling or use limitations as are imposed by Federal GSA on any item(s) under which the item(s) are being allocated to the Donee.
 - 8) In the event the Donee does not use the property as required by Sections C (1) and (2) below, at the option of the GSA, title and right to the possession of such property shall revert to the United States of America and, upon demand, the Donee shall release such property to such person as GSA or its designee shall direct.
- B) The Donee Agrees to the Following Conditions Applicable to Items with a Unit Acquisition Cost of \$5,000 or More and Passenger Motor Vehicles, Regardless of Cost. Except Vessels 50 Feet or More in Length and Aircraft Regardless of Acquisition Cost:**
- 1) The property shall be placed in use within one year of receipt and shall be used only for the purpose(s) for which it was acquired and for no other purpose(s).
 - 2) There shall be a period of restriction which will expire after such property has been used for the purpose(s) for which it is acquired for a period of 18 months from the date the property is placed in use, except for such item(s) of major equipment for which the CSASP designates a further period of restriction.
 - 3) In the event the property is not so used as required by Sections C (1) and (2), at the option of the CSASP, title and right to the possession of such property shall, at the option of the CSASP, revert to the State of California, and the Donee shall release such property to such person as the CSASP shall direct.
- C) The Donee Agrees to the Following Terms, Reservations and Restrictions:**
- 1) From the date it receives the property and throughout the time period(s) imposed by Sections B and C (as applicable) remain in effect, the Donee shall not sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of such property, or remove it permanently, for use outside the State of California, without the prior approval of GSA or the CSASP. The proceeds from any sale, trade, lease, loan, bailment, encumbrance or other disposal of the property, when the GSA or the CSASP authorizes such action, shall be remitted promptly by the Donee to GSA or the CSASP, as applicable. If the Donee takes action in ignoring or disregarding the foregoing restrictions after the date the Donee received the property and before expiration of the time periods imposed by Sections C or D as applicable, at the option of the GSA or the CSASP, the Donee shall pay to the GSA or the CSASP any proceeds derived from the disposal, and/or the fair market or rental value of the property at the time of such unauthorized disposal as determined by the GSA or the CSASP as applicable.
 - 2) If at any time, from the date the Donee receives the property throughout the time periods by Sections B and C as applicable, the Donee determines that some or all of the property is no longer suitable, usable, or further needed for the purpose(s) for which it was acquired, the Donee shall promptly notify the CSASP and shall, as directed by the CSASP, return the property to the CSASP, or release the property to another Donee or another state agency, or a department or agency of the United States, or sell or otherwise dispose of the property. The Donee shall remit the proceeds from the sale promptly to the CSASP.
 - 3) The Donee shall make reports to the CSASP which shall state the use, condition, and location of the property, and shall report on other pertinent matters as may be required from time to time by the CSASP.
 - 4) At the option of the CSASP, the Donee may abrogate the conditions set forth in Section B and the terms, reservations and restrictions pertaining in Section D by payment of an amount as determined by the CSASP.
- D) The Donee Agrees to the Following Conditions, Applicable to all Items of Property:**
- 1) The property acquired by the Donee is on an "As Is," "where Is" basis, without warranty of any kind.
 - 2) If the Donee carries insurance against damages to or loss of property due because of fire or other hazards, and the damage to, loss or destruction to donated property with unexpired terms, conditions, reservations or restrictions, occurs, the CSASP will be entitled to reimbursement from the Donee out of the insurance proceeds, in an amount equal to the unamortized portion of the fair value of the damaged or destroyed donated property.
- E) Terms, conditions, reservations and restrictions set forth in the Conditional Transfer Document executed by the authorized Donee representative are applicable to the donation of Aircraft and Vessels of 50 Feet or more in length having an acquisition cost of \$5,000 or more in length or more, regardless of the purpose for which acquired.**

SIGNATURE: _____

DATE: _____