

(c) *Fair value reimbursement.* (1) When a transfer is determined to be reimbursable and paragraph (b) of this section, is not applicable, fair value reimbursement, as determined in paragraphs (b) (2) through (4) of this section, is required to be paid by the transferee.

(2) To preclude the need of establishing the fair value to be reimbursed for each transfer subject to such reimbursement, fair value is defined to be 20 percent of the original acquisition cost of new or unused property in condition code 1 (condition codes are shown in §101-43.4801(e)) and zero percent for all other personal property.

(3) Where application of the above formula will not achieve the intended purpose because of special circumstances or the peculiar nature of the property, the holding agency may use other criteria for arriving at fair value if approved or directed by the appropriate GSA regional office.

(4) Where circumstances warrant and the agencies concerned agree thereto, fair value prices higher than those arrived at by use of the formula may be used.

(d) Transfer orders for property requiring reimbursement must be annotated with the amount of reimbursement required. Disagreements between agencies regarding reimbursement requirements shall be referred for final determination to the GSA Regional Administrator for the region in which the property is located.

**§101-43.309-4 Transfer for redistribution.**

Items reported as excess and determined by GSA to be suitable for redistribution within the Federal Government may be taken into physical custody by GSA or, upon notification by GSA, shall be retained by the holding agency for a period not to exceed 180 days. Items which are identical to or can be substituted for items listed in the GSA Supply Catalog shall be furnished to agencies through the GSA stock program at prices to be determined by GSA. To ensure maximum redistribution of items available from excess, GSA may require that all orders for such items be forwarded to a GSA

regional office until excess stocks are exhausted.

**§101-43.309-5 Procedure for effecting transfers.**

(a) All transfers of excess personal property between Federal agencies shall be by SF 122, Transfer Order Excess Personal Property (see §101-43.4901-122), or any other transfer order form approved by GSA. Automated requisitions on approved forms may be used for excess personal property transfers. However, Federal agencies using automated requisitions shall ensure that identifying codes are controlled and records maintained indicating the official authorized to approve property transfers. Each transferee agency shall forward the original and three copies of the transfer order to the appropriate GSA regional office (see §101-43.4802) for approval. An SF 120 is not required in addition to SF 122 for direct transfers. Prior approval by GSA is not required when the property involved in the given transaction is:

(1) Reportable under §101-43.304 but has not yet been reported to GSA, and its total acquisition cost does not exceed \$5,000, and the owning agency's regulations relative to internal redistribution have been satisfied; or

(2) Nonreportable under §101-43.305 and has not been reserved at the holding location for special screening by the appropriate GSA regional office, and its total acquisition cost does not exceed \$25,000; and

(3) The appropriate GSA regional office is furnished an information copy of each direct transfer order by the transferor agency within 10 workdays from receipt of the order.

(b) In those cases where a known requirement exists for excess personal property which exceeds the acquisition cost limitations for direct transfers in paragraphs (a)(1) and (a)(2) of this section, a request for approval of a prearranged transfer may be made. To effect a prearranged transfer, the requesting Federal agency must contact the appropriate GSA regional office for verbal approval. In considering such requests, GSA may apply the approval factors listed in paragraph (e) of this

section, if competing known requirements exist. Upon approval of the pre-arranged transfer, the requesting agency must submit an SF 122 or other authorized transfer order form only. An SF 120 is not required in those cases where the property is reportable in accordance with § 101-43.304. Approval for the holding activity to release the property prior to receipt of the transfer order may also be given verbally at the discretion of the GSA regional office. These verbal approvals must be obtained from an authorized representative of the GSA regional office, and the requesting agency shall annotate the SF 122 with the name of the approving GSA official and the date telephone approval was obtained.

(c) The SF 122 shall be completed as shown in § 101-43.4901-122. All transfer orders shall be executed by an accountable Federal official, and will not be approved by GSA unless so executed.

(1) For wholly owned or mixed-ownership Government corporations, the Senate, the House of Representatives, the Architect of the Capitol and any activities under his direction, and the municipal government of the District of Columbia, transfer orders shall be executed by a responsible official of those organizations.

(2) For non-Federal agencies for which GSA procures, transfer orders shall be executed by a responsible official of the sponsoring Federal agency.

(3) For contractors and grantees, transfer orders shall be executed by the Federal contracting officer administering the contract or other responsible Federal official who is knowledgeable about the terms of the contract or grant.

(4) For nonappropriated fund activities of Federal agencies, transfer orders shall be executed by an accountable official of the sponsoring Federal agency. The transfer order shall state that the property will be entered on the accountable records of the sponsoring Federal agency and shall also state that the property will be used only for administrative or operational use but not for resale.

(d) When property is offered for transportation, the condition of the items shall be shown on the bill of lading. In order that the Federal Govern-

ment may obtain the most economical rates for the movement of excess personal property in other than new condition, particular attention shall be given to the use of the appropriate classification description as required by carriers' tariffs.

(e) While transfers of excess personal property will normally be approved by GSA on a first-come-first-served basis, consideration will be given to such factors as national defense requirements, emergency needs, preclusion of new procurement, energy conservation, equitable distribution, transportation costs, and retention of title in the Government. When competing Federal claims are made for particular items of excess personal property, with or without payment of reimbursement, GSA will give preference to the Federal agency that will retain title in the Government. Transfer requests for the purpose of cannibalization will be considered, but are normally subordinate to requests for the complete items. The GSA regional office may defer approval of any transfer request until all pertinent factors are considered. When competing requests are received, the GSA regional office may, at its discretion, request supporting justification from the ordering agencies to assist in making the allocation determination, including evidence that new procurement is involved. Placement of a freeze on an item of excess personal property by a Federal agency does not constitute an absolute claim on the property. The GSA regional office is responsible for evaluating the above factors prior to approval of a transfer order for a frozen item subject to competing requests.

(f) A copy of each approved or disapproved transfer order will be returned to the ordering agency by the GSA regional office with appropriate notation. Two copies of each approved order will be appropriately noted and transmitted by the GSA regional office to the holding agency for transfer action. Any billing by the holding agency shall be accomplished in accordance with § 101-43.310.

(g) If the transfer order does not contain complete shipping instructions, the transferee agency is required to transmit these to the holding agency within 15 calendar days after receipt of

the transfer order by the holding activity in the case of domestic shipments, or 45 calendar days in the case of export shipments. The holding activity will communicate failure to receive such shipping instructions to the GSA regional office which approved the transfer. If the transfer order indicates the property is to be picked up by the transferee agency, the action must be accomplished within 20 calendar days from the time such agency is notified by the holding activity that the shipment is ready. The holding activity will communicate with the GSA regional office concerning the failure of the transferee agency to pick up property within the allotted time.

(1) Holding activities will carry out shipping instructions within 20 calendar days from receipt or make property available for pickup promptly

(2) If the holding activity is unable to ship or deliver as required, the ordering activity must be advised of the reason for delay and a new scheduled shipping or delivery date.

(h) Whenever a transfer order covers excess personal property which has deteriorated materially below the reported condition, the holding agency shall advise the GSA regional office of its current condition. The GSA regional office will so advise the ordering agency. Shipment will not be made until the ordering agency has advised the GSA regional office that the existing condition is acceptable and the GSA regional office has so advised the holding agency.

(i) Whenever an excess item of equipment is transferred, any available operating manual, parts list, circuit or wiring diagram, maintenance record, log, or other instructional or informational publication or brochure pertaining to the equipment shall accompany and be transferred with the item of equipment.

(j) Use of the SF 97, Certificate of Release of a Motor Vehicle, is restricted to situations where title to the vehicle leaves the Federal Government (see subpart 101-38.7).

#### **§ 101-43.310 Costs and proceeds.**

##### **§ 101-43.310-1 Cost of care and handling.**

Each holding agency shall be responsible for and bear the costs of performing care and handling of excess property pending disposition. Direct costs incurred incident to transfer shall be borne by the recipient if billed by the holding agency. Overhead or administrative costs or charges shall not be included. Only costs incurred in the actual packing, preparation for shipment, loading, and shipment may be recovered by the holding agency. Where such costs are incurred, they shall be reimbursed by the recipient upon appropriate billing unless the holding agency waives the amount involved. Billing by a holding agency for direct costs of less than \$100 for any single shipment would appear to be uneconomical and should be avoided.

##### **§ 101-43.310-2 Proceeds.**

(a) The proceeds of a reimbursable transfer shall be paid to the transferor agency where:

(1) The transferor agency acquired the property with funds not appropriated from the general fund of the Treasury;

(2) The transferor agency is the USPS;

(3) The transferor agency is a wholly owned or a mixed-ownership Government corporation as defined in the Government Corporation Control Act (31 U.S.C. 841);

(4) The transferor agency is the municipal government of the District of Columbia;

(5) The transferor agency is a non-Federal agency for which GSA procures;

(6) The transferor agency acquired the property with appropriated funds, but by law is authorized to recover the proceeds;

(7) The property is transferred under the exchange/sale authority; or

(8) The property transferred is the private property of a nonappropriated fund activity.