

personal property to cost-reimbursement contractors, as defined in §101-43.001-6.

(b) Excess personal property may be transferred to a Federal agency for use by a cost-reimbursement contractor as Government-furnished property, provided that the contracting agency determines the transfer will result in a reduction in the cost to the Government or an enhancement of the product or benefit of the contract. All transfer orders submitted to GSA for excess personal property to be furnished to a cost-reimbursement contractor shall list the number and expiration date of the contract, must certify the cost reduction or product enhancement, and shall be executed by an authorized official of the contracting agency. If less than 60 calendar days remains before expiration of the contract, the transfer order will not be approved by GSA unless the contracting agency certifies that the contract will be extended or renewed or other written justification is provided.

(c) Certain Federal agencies have specific statutory authority to vest title to property under certain circumstances, but title to property furnished to a cost-reimbursement contractor normally remains vested in the Government. Contracts shall include adequate safeguards and assurances relative to use, maintenance, consumption, unauthorized use, and redelivery to Government custody of Government-furnished property.

(d) Property furnished to cost-reimbursement contractors is subject to the annual reporting requirements of §101-43.4701(c).

§101-43.313 Use of excess personal property on cooperative agreements.

(a) Executive agencies may obtain excess personal property for the purpose of furnishing such property to agency cooperatives under cooperative agreements, as defined in §101-43.001-5, made in accordance with the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301). Excess personal property may be furnished to cooperatives subject to the following conditions:

(1) Authorization for the cooperative to acquire excess property is contained in the cooperative agreement;

(2) A determination is made by the sponsoring Federal agency that the acquisition will result in a reduction in the cost to the Government of the agreement or an enhancement of the product or benefit from the agreement;

(3) The property will not be stockpiled by the cooperative, but will be placed in use within a reasonable period of time following the acquisition;

(4) The time remaining on the cooperative agreement is greater than 60 calendar days from the date a transfer order is received by GSA, unless the sponsoring Federal agency has certified that the cooperative agreement will be extended or renewed, or other justification is submitted; and

(5) The transfer is approved by an authorized official of the sponsoring Federal agency.

(b) The amount of excess personal property (in terms of original acquisition cost) transferred to a cooperative normally shall be limited to the dollar value of the cooperative agreement. Any higher percentage of excess personal property transferred to a cooperative shall be subject to approval by an official of the sponsoring Federal agency at an administrative level higher than the project officer administering the cooperative agreement.

(c) Title to excess personal property furnished to a cooperative by an executive agency remains vested in the Government, except that cooperative agreements for the conduct of basic or applied scientific research at nonprofit institutions of higher education, or at nonprofit organizations whose primary purpose is the conduct of scientific research, normally include discretionary authority to vest in such institutions or organizations title to excess personal property furnished under the cooperative agreement on such terms and conditions specified in the cooperative agreement.

(d) Executive agencies shall keep in their cooperative agreement record-keeping systems: Total acquisition cost of property furnished to all cooperatives; original acquisition cost of each item furnished, identified to each recipient; and date of termination and

the dollar value of each cooperative agreement under which excess personal property has been furnished.

(e) Excess personal property furnished to a cooperative shall be accounted for and disposed of in accordance with the specific provisions of the cooperative agreement and procedures established by the sponsoring executive agency to govern the accountability and disposition of excess personal property acquired under cooperative agreements. The cooperative agreement shall contain adequate safeguards and assurances relative to use, maintenance, consumption, disposition, unauthorized use, and redelivery of custody to the Government of excess personal property furnished under the agreement.

(f) Property furnished to a cooperative is subject to the annual reporting requirements of § 101-43.4701(c).

§ 101-43.314 Use of excess personal property on grants.

(a) Federal agencies may obtain excess personal property for the purpose of furnishing such property to agency grantees only when the non-Federal recipient is an institution or organization which is the holder of a Federally sponsored project grant and is a public agency as defined in § 101-43.001-26 or is nonprofit and exempt from taxation under section 501 of the Internal Revenue Code of 1954.

(b) Excess personal property is transferred between Federal agencies as provided in § 101-43.309-4 and may be furnished to project grantees: *Provided*, authorization for the grantee to use excess property is contained in the grant document; a written determination is made by the sponsoring Federal agency that the acquisition will result in a reduction in the cost to the Government of the grant or an enhancement of the product or the benefit from the grant; the property will not be stockpiled by the grantee but will be placed into use within a reasonable period of time following acquisition as directed in writing by the granting agency; and the transfer is approved by an authorized Federal official of the granting agency. Transfers to grantees are further subject to the following conditions:

(1) A Federal agency may obtain excess personal property for transfer to a project grantee when the sponsoring Federal agency pays an amount equal to 25 percent of the original acquisition cost (except for costs of care and handling) of the property, such funds to be deposited into the U.S. Treasury as miscellaneous receipts. Title to excess personal property so furnished shall vest in the grantee. Property obtained by a Federal agency from excess sources and placed in direct official use for a period of at least 1 year may subsequently be furnished to a grantee without reimbursement provided the official use was valid and not for the purpose of circumventing the reimbursement requirement. Title to excess personal property so furnished shall be retained by the grantor agency unless specific statutory authority exists to vest title in the grantee.

(2) The provisions of paragraph (b)(1) of this section, shall not apply to the following:

(i) Excess personal property transferred under section 608 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2358), when and to the extent that property to be transferred under that Act is not needed for donation under the provisions of subparts 101-44.2 and 101-44.4 as determined by GSA. (This restriction shall not apply to excess personal property transferred for development loan programs under section 608 of the Foreign Assistance Act of 1961 which may be accomplished prior to donation screening.)

(ii) Excess personal property furnished under section 203 of the Department of Agriculture Organic Act of 1944 (16 U.S.C. 580a) through the U.S. Forest Service in connection with cooperative State forest fire control programs, provided title to such property is retained in the Government.

(iii) Excess personal property furnished by Federal agencies in connection with grants to Indian tribes, as defined in section 3(c) of the Indian Financing Act (25 U.S.C. 1452(c)) as eligible for services from the Department of the Interior, Bureau of Indian Affairs. Title to this property shall remain vested in the Government unless the title is vested under specific statutory authority.