

STATE OF UTAH

DEPARTMENT OF ADMINISTRATIVE SERVICES

DIVISION OF PURCHASING & GENERAL

SERVICES

UTAH STATE AGENCY FOR SURPLUS PROPERTY

STATE SURPLUS PROPERTY PROGRAM

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Introduction

This operating plan sets forth policies and procedures which govern the disposition of the state surplus program. It applies to all state agencies unless specifically exempted by law.

When USASP policies are determined to be in conflict with other state or federal laws or rules, the state or federal laws, rules or regulations shall prevail.

Authority

Under the provisions of Title 63A, Chapter 2 Part 4, the Utah State Agency for Surplus Property (USASP) within the Division of Purchasing & General Services, under the Department of Administrative Services is responsible for operating a state, a federal and a law-enforcement surplus property program. The standards and procedures governing the operation of these three programs are found in separate Plans of Operation, one for State surplus property and a second for DLA/LESO a.k.a. 1033 and a third for Federal surplus property, the two latter being a contract between the state and federal government.

Synopsis of Laws and Rules

1. The State of Utah defines surplus personal property as any tangible supplies, materials, or equipment for which the state has acquired ownership by any lawful means and which is no longer needed/required by the using agency. Surplus personal property does not mean "Real Property".
2. All state agencies are required to dispose of surplus property through the state surplus process, unless specifically exempted by law.
3. State agencies are permitted to transfer non-vehicle items to another department or agency of the state without involvement of USASP in accordance with R33-26-2(3)(a).
4. The state surplus property program shall establish rules and operating procedures that meet the intent and requirements of Utah code: 63A-2-401 through -411 (Utah Code; 63A-2-401(2)(a)).
5. USASP will dispose of state surplus property by those means established by division procedures pursuant to legislative requirements (reference Utah Code: 63A-2-401).
6. USASP may assess charges and fees for surplus handling, warehousing, disposal and supporting management processes, as approved by the rate committee (reference Utah Code; 63A-2-405).

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TERM	DEFINITION
Authorized Agent:	A Department/Division Head or a person authorized to act for and on behalf of a Department/Division Head for the purpose of surplus agency property.
Consideration:	This is synonymous with value. Consideration does not necessarily have to be in the form of currency.
Current Value:	The estimated current value of surplus property.
Damaged or Scrap/Salvage Property:	Property that has no reasonable prospect of being sold except for the value of the basic material content.
Excess/Surplus:	Property that is no longer useful for the purpose for which it was acquired.
Inter-Agency Transfer (IAT):	A financial form used by state government agencies to transfer funds from one account to another within FINET.
Low Value Property:	Individual items of state owned surplus personal property having a market value of less than \$25.00.
Personal Property:	All property, which, due to its nature or physical characteristics, is not included within the scope or definition of real property. Personal property is transportable and usually has a limited useful life compared to real property.
Property Officer:	One assigned the responsibility for surplus property actions within a department, board, division, bureau, commission, or other budget unit of the state organization by whom he/she is employed. Usually the agency head.

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TERM	DEFINITION
Real Property:	Land, buildings, structures, right-of-ways, sidewalks, water and sewage systems, irrigation and drainage systems, easements and other fixtures or appliances when permanently incorporated in or attached to buildings and structures.
Related Party:	Any party to a surplus property disposition or acquisition which through related employment, member of the same family, insider information, purchasing or disposition authority, or any other relationship which may result in a lack of independence regarding a surplus transaction.
Salvage:	Property, which, because of its worn, damaged, deteriorated, incomplete condition, or specialized nature has no reasonable prospect of sale or use as designed, but has some value in excess of its basic material content.
SP1	Written determination of property SP1 form meets the requirements set forth in Subsection 63A-2-401(7) for a state agency to declare State property as surplus.
USASP:	Utah Agency for Surplus Property. This term is synonymous with the Agency for Surplus Property.
Value:	When money changes hands there is value involved. However, value could also constitute an exchange of services and/or property. This is synonymous with consideration.
Transfer:	Transfer means transfer of surplus property to another agency without cash consideration. USASP fees are not considered cash consideration.

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Subject: PURPOSE AND AUTHORITY		

I. PURPOSE

This manual sets forth policies and procedures governing the acquisition, disposition or transfer of all state-owned surplus personal property. It applies to all state agencies within the State of Utah and may apply to local public agencies, eligible non-profit educational and health institutions and the general public within the State of Utah.

II. BACKGROUND

Under the provisions of Utah Code Title 63A, Chapter 2, Part 4, the State Agency for Surplus Property (also identified as the Utah State Agency for Surplus Property or USASP), within the Division of Purchasing & General Services in the Department of Administrative Services, is responsible for the operation of a combined state and federal surplus property program.

This manual provides policy and procedural guidance for processing state surplus property. Policies and procedures governing Federal Surplus Personal Property, and DLA/Law Enforcement Surplus property are set forth in a separate State Plan of Operation.

III. POLICY

All state agencies, unless specifically exempted by law, shall dispose of all state owned personal property of all types in accordance with the policies and procedures set forth in this manual.

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I. PURPOSE

To prescribe procedures for declaring surplus and state owned personal property of any type.

II. BACKGROUND

In order to properly account for the disposal of state owned surplus property, USASP must maintain records of all surplus transactions. The key to accurate and complete records starts with the SP-1. The SP-1 form needs to be complete and property described accurately including model number and serial numbers where applicable.

III. POLICY AND PROCEDURES

A. Declaring Property Surplus

1. When a department, division, bureau or any other agency of state government determines that personal property is surplus or excess to current needs, a declaration will be made using standard Form SP-1 (Declaration of Surplus Property). It must be filled out and signed by the agency head or authorized agent before it can be executed (see SP-05-04.01). Vehicle titles must accompany the property, with the transfer section unsigned (titles become negotiable once signed). Odometer Statements must also be turned in with any vehicles and be properly completed and signed by the owning agency surplus officer. Vehicle license plates, state seals and police lights (if applicable) must be removed and processed by the selling/user agency. For more information on completing standard form SP-1, refer to procedure SP-05-04.02.
2. State owned property shall not be destroyed, sold, traded-in, transferred, discarded, or otherwise disposed of without first submitting a completed SP-1 and receiving authorization from the USASP.

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III. POLICY AND PROCEDURES

B. Transporting Surplus Property

1. The delivery of property is the responsibility of owning agencies. The owner agency must assist with the identification of the property. Transportation costs incurred for property transferred between state agencies will be paid by the receiving agency.

2. The USASP will not accept any type of surplus property without a completed form SP-1. Owning agencies should give the USASP at least 24 hours advance notice prior to delivering any surplus personal property.

C. Sale of Surplus Property

Once the USASP has received a properly completed form SP-1, the information will be evaluated and the most timely and cost-effective method of disposal will be employed. The owning agency will then be contacted (if necessary) concerning the next step(s) in the disposal process. For rapid inventory turnover, expedient payback of funds, and minimum handling and storage costs, the USASP will attempt to sell surplus property for up to 30-days off the sales floor or lot. If the property has not sold within 30-days, other sales methods, such as auction and sealed bid offerings, may be employed. If the owning agency has a preferred sales method, this should be specified on the form SP-1. A desired or minimum acceptable selling price may also be specified. The property will be sold for the optimum price obtainable whatever method of sale is utilized by the USASP.

NOTE: Once surplus property has been sold, a payback will be made to the owning agency (see the section entitled "PAYBACKS TO SELLING AGENCIES"). Once the agency has been paid back for the sale of the surplus property, the asset(s) may need to be deleted from the state fixed asset, inventory or other applicable systems. For accounting practices, refer to the State of Utah

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III. POLICY AND PROCEDURES

D. Revoking a Form SP-1

Agencies wishing to withdraw property declared surplus or in any way revoke a form SP-1 action must make the request in writing or email, addressed to the Manager of the USASP. The action requested, with explanation and justification, must be included. The USASP may assess charges for any transportation, handling and processing expenses incurred in processing the return of surplus property.

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Subject: DECLARING SURPLUS PROPERTY ON STANDARD FORM SP-1		

I. PURPOSE

To define the policy and proper procedures for declaring surplus property on the standard form SP-1.

II. BACKGROUND

The USASP must maintain detailed audit files of all surplus transactions. Therefore, uniform declaration procedures must be set forth and followed by all state agencies. Proper and timely completion and submission of standard form SP-1 is the foundation of all surplus audit information.

III. POLICY

- A. State owned property shall not be destroyed, sold, traded-in, transferred, discarded, or otherwise disposed of without first submitting a completed SP-1 and receiving authorization from the USASP.
- B. A standard form SP-1 must be properly completed and signed by the agency head (or authorized agent per SP-04-03.01) before any surplus property can be delivered or picked up by the USASP. This policy prescribes the minimum information required in order to begin the surplus process. The SP-1 form needs to have property described accurately, including model number and serial numbers where applicable.
- C. Once a properly completed form SP-1 has been received, the USASP will evaluate the circumstances and contact the owning/user agency as to what action will be taken for that property. No action should be taken prior to submitting a form SP-1 and receiving authorization and instructions as to the disposition of the property from the USASP.

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IV. PROCEDURES

A. The following fields must be completed on form SP-1 before the USASP can accept any surplus property or authorize any type of surplus transaction:

1. The DEPARTMENT NAME.
2. The name of a CONTACT PERSON who would be available to show and provide further information concerning the surplus property, and PHONE NUMBER.
3. DISPOSAL TYPE gives options.
4. The full ADDRESS WHERE THE PROPERTY MAY BE INSPECTED.
5. DISTRIBUTION ACCOUNT. The agency Budget and Accounting Officer should be consulted for this information as this coding is needed by the USASP to pay each applicable agency back for any surplus property sales it may be due (after the USASP service and handling fee).
6. The AGENCY DIRECTOR OR AUTHORIZED AGENT signature and phone number. This authorization allows USASP to handle the transaction(s) in accordance with the policies and procedures set forth in this manual.
7. The ITEM NUMBER. One line item (indicated by a sequential number) should be used for like (similar items.)
8. The QUANTITY of like items listed on the particular line as described in #7 above.
9. The DESCRIPTION of the item(s). Any known defects or enhancements should be clearly specified.
10. The NOTES section. May be used to include a general statement as to the condition of the item(s) (i.e. excellent, good, fair, poor, damaged, scrap, missing parts, etc.) and or additional information about the item(s).

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IV. PROCEDURES

- B. If declaring rolling stock (i.e. motor vehicles, road maintenance or heavy equipment, materials handling equipment, etc.,) surplus, include the following information on the SP-1 form.
1. The year, make and model.
 2. Body style, load rating, seats or passenger capacity, number of cylinders, number of drive wheels (2x4 or 4x4).
 3. Serial, license and owning agency identification (inventory) numbers.
 4. Vehicle options (i.e. power steering and brakes, air conditioning, AM/FM radio and/or stereo, cassette, etc.)
 5. Accurate mileage or hours used.
 6. A clear, descriptive statement of condition. Include any known mechanical deficiencies.
 7. TITLES must accompany titled item(s).
 8. Estimate the CURRENT VALUE. The USASP wants the owning agency's input on pricing, so a suggested selling price is welcomed. If the desired price is not obtained within 30 days, the property will be reduced in price or sold in an auction or sealed bid for the best price obtainable unless clearly specified otherwise in the remarks or recommended action section or in an attached memorandum.
 9. REMARKS OR RECOMMENDED ACTION. For any information or recommendations, the notes section may be used for more details.

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IV. PROCEDURES

- a. Suggested selling price or minimum acceptable price should be listed, or the USASP will set the price.
- b. If you have a recommended purchaser, list the name, phone number and any other applicable information or recommended action. If the recommended purchaser is an employee of the owning agency, a relative of the employee or a “related party” in any other way, all applicable information must be disclosed in writing.
- c. If you are recommending property abandonment or destruction, describe it on the form SP-1 before taking any action. The USASP will evaluate the request and contact the user agency for further action.

Note: Electronic SP-1 forms may be accessed at web page <http://surplus.utah.gov>.

SAMPLE SP-1

DEPARTMENTS: DISPOSAL REQUESTS

SEARCH
ADD / EDIT

Auth.Date: N/A Notes:

Department

Contact Person for this Disposal Request

Second Contact Person

Distribution Account

Debit Account

Who will authorize this Disposal Request?

Disposal Type

SP1#

Date

Status

Pickup Type

To ensure pickup by the Surplus Property Office, please list all items for disposal.

	Item	Qty	Est. Value	Asset#	VIN/Serial#	Model	Manufacturer		
	DESK, test desk	1	\$0.00						
	DESK, test desk	1	\$0.00						
	CAR, car	1	\$0.00						

Total Records: 3

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Subject: *TRANSFER OF SURPLUS PROPERTY TO OTHER AGENCIES		

I. PURPOSE

To establish and define the policy and procedures for transferring surplus (excess) property between state agencies.

II. BACKGROUND

Occasionally, agencies find it cost effective and/or beneficial to transfer surplus state property to another state agency. Such transfers may be made with or without value or consideration. USASP fees are not considered to be value or consideration.

III. POLICY

When it is determined by the owning agency and the (USASP) that the direct transfer of property from one agency to another is in the best interest of the state, this method of disposition may be authorized. This type of transaction also requires that the owning agency use form SP-1.

IV. PROCEDURES

- A. The requested transfer will be effected with an SP-1 form and supporting documentation if required. The owning agency may establish a recommended current market value (price) for the property to be transferred, complete the SP-1 form and submit it to the USASP prior to taking any action. The USASP will evaluate the request and contact the owning agency with further instructions. When consideration (value) is involved, the purchasing agency will be required by the USASP to authorize such transfer/purchase.
- B. The purchasing agency will then present a copy of the invoice to the selling agency which will then release custody of the asset. Custody of the asset should not be released until approved invoice is presented. The USASP will bill the agency receiving the property and remit to the selling agency (through the normal course of business) any funds it may be due.

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IV. PROCEDURES

- C. All funds for all surplus transactions must flow through the USASP. When no value is involved, the form SP-1 should so specify. The USASP will evaluate the request and contact the owning agency.

* State agencies are permitted to transfer non-vehicle items to another department or agency of the state without involvement of the USASP in accordance with R33-26-2(3)(a).

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Subject: TRADE-IN OF SURPLUS PROPERTY ON NEW PURCHASES		

I. PURPOSE

To establish and define policy for trade-in of surplus property toward the purchase of new property. Trade-in may include services and/or hardware.

II. BACKGROUND

State Agencies may find it beneficial to trade-in certain items of property when purchasing new ones. This may, in some cases, provide agencies with greater benefits than the outright sale of the property.

III. POLICY

Trade-in of excess property may be approved when it is determined on SP-1 to be of greater benefit to the state than other methods of disposition.

IV. PROCEDURES

- A. Complete the standard form SP-1 and forward it to the USASP prior to taking any action. The requested trade-in must be clearly documented with justification that this is the best method of disposal. Include a description of the property being traded for, its cost, and the value to be allowed for the surplus property and the vendor/individual name and phone number offering the replacement property.
- B. The USASP will evaluate the request and contact the agency with authorization and/or further instructions.

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Subject: DISPOSAL OF DAMAGED OR SCRAP PROPERTY		

I. PURPOSE

To establish and define the policy and procedures for disposal of damaged property that has a scrap value.

II. BACKGROUND

State property that is worn-out, damaged, disassembled or in poor condition may be considered scrap (i.e. scrap steel, wood, etc.). The property may be in such poor condition as to be of no further functional value. Such property may be considered for recycling, sale as scrap or for abandonment and destruction.

III. POLICY AND PROCEDURES

- A. In the case of damaged, unusable, or scrap property, the owning agency will submit an SP-1 to the USASP listing the items of property involved including a detailed statement of condition, quantity, etc.
- B. If it is determined that some reasonable value can be obtained, the USASP will coordinate with the owning agency the sale as scrap.
- C. If it is determined that there is no value either for salvage or spare parts, authorization may be given for abandonment or destruction. An SP-3 will be used for this purpose, and the USASP will coordinate this action with the owning agency. No action should be taken by the owning agency until a completed SP-1 is submitted and USASP approval/direction is provided.
- D. The SP-3 is generated only by the USASP when preceded by a qualifying SP-1.

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Subject: CANNIBALIZATION OF SURPLUS PROPERTY		

I. PURPOSE

To define and establish policy and procedures for cannibalization (alternate use) of surplus property by removal of parts for use on other property or for its maintenance and/or enhancement.

II. BACKGROUND

This form of disposal is authorized when state owned personal property is no longer being used for the purpose(s) intended when the property was acquired or when a Department/Division determines that the item(s) should be cannibalized to keep other like item(s) in repair or functioning. Examples of items appropriate for cannibalization include equipment, computers, copy machines, engines, etc.

III. POLICY AND PROCEDURES

- A. Departments/Divisions are authorized to cannibalize state owned personal property when it is considered to be in the best interest of the state. Approval by the USASP is not required. However, it is strongly recommended that Department/Division Heads (or authorized agents) approve all requests for Cannibalization. The SP-1 should specify that the property was cannibalized by the agency.
- B. Before cannibalizing property, agencies should consider the cost effectiveness of cannibalizing property when compared with a potential sale of the property in a non-cannibalized form. If it is more cost effective to sell the property, it should be declared surplus on a standard form SP-1 and the USASP will correlate with the owning agency and sell the property.
- C. If property is cannibalized, the residue of the cannibalized property must be declared surplus on the SP-1. If it is determined that the surplus of cannibalized residue is not in the best interest of the state, the USASP may grant authorization to abandon and destroy the property on SP-3 (see the following subsection for a sample of SP-3). If this is determined to be the best course of action, the property may then be

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disposed of as outlined in the section on damaged or scrap property. Otherwise, the property should be turned into the USASP with a properly completed SP-1.

- D. When declaring cannibalized residue surplus, no action should be taken without prior approval from the USASP.

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Subject: ON-SITE DISPOSAL OF STATE SURPLUS PROPERTY		

I. PURPOSE

To define the policy and procedures for disposing of surplus property on-site.

II. BACKGROUND

In some instances, disposal of surplus property at its in-use location is more cost-effective or appropriate. Some items, because of their nature, size, weight or remote location can be sold or traded on-site to the best advantage. It may be difficult to move or may have a current value less than the cost of transporting it to the Agency for Surplus Property (USASP). Another reason for on-site disposal may be that it is of a high-tech nature and/or may bring a larger return to the state by remaining on-site and in operation for demonstration purposes. Properties such as data processing, telecommunications, copying and printing equipment are examples.

III. POLICY AND PROCEDURES

- A. Owning agencies will submit a form SP-1 with all applicable information as previously described when property becomes surplus. Surplus data processing, telecommunications, copier and other high-tech equipment processing is outlined in a subsequent section. If on-site disposal is recommended, it should be specified on the form SP-1. Include any potential purchasers, applicable information, etc. No action should be taken until the USASP has received the form, evaluated it and advised the agency. When the proper disposal action is determined, the funds must flow through the USASP. In most cases, sales tax must also be collected. When property is sold, payment must be made directly to the USASP in the form of cash, cashiers checks, certified funds or by Interagency-Transfer (IAT). The purchaser must present a "paid" copy of a sales invoice before the owning agency relinquishes custody of any state-owned surplus property.

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Subject: ACQUIRING STATE SURPLUS PROPERTY		

I. PURPOSE

To establish the policy and procedures for acquiring state surplus property.

II. BACKGROUND

The Agency for Surplus Property (USASP) was established not only to provide an independent and ethical means for disposal of state surplus property, but also to provide significant tax-dollar savings to state and local government agencies through the reutilization of surplus personal property.

III. POLICY

- A. Surplus state property, except that which is retained for disposal on-site, is offered for sale by USASP. The hours of operation will be established and posted. The USASP is always closed on recognized Federal and State holidays.
- B. Auctions and sealed bid sales may be offered, preceded by appropriate notification.
- C. State surplus property (except for that which is in long supply or abundance) may be held for priority purchase by government agencies in the following priority, for 30 days after receipt: (also see the succeeding subsection on “Government Agency Hold Policy”).
 1. State Agencies, which include public schools and libraries.
 2. State Universities, Colleges, and Community Colleges.
 3. Other tax supported agencies or other political subdivisions of the State of Utah (i.e. cities, towns, counties, local law enforcement agencies, etc.)
 4. Other tax supported educational entities.
 5. Non-profit health and educational institutions.

Note: After this order of priority (if applicable), state surplus personal property will be offered to the general public for sale.

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IV. PROCEDURES

- A. When purchasing an item of state surplus property, state agencies must sign a billing invoice and provide the USASP with the billing Org., Acct., Task, Option and Activity. An Inter-Agency-Transfer (IAT) will be generated through the normal course of business. After processing the IAT, a “processed” copy (along with a remittance advice) will be forwarded to the purchasing agency’s accounting section.
- B. Any other type of tax-supported or non-profit health or education institution must provide payment to the USASP prior to any property being removed.

Note: Exceptions to the above policy may only be made by the USASP Manager.

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Subject: TERMS OF SALE		

I. PURPOSE

To define the policy for collecting the sales price for surplus property.

II. BACKGROUND

The USASP has a wide variety of customers ranging from government agencies, non-profit health and educational institutions, private businesses and the general public. In order to insure that the full sales price and sales tax (where applicable) is collected; policy and procedures governing proper terms of sale must be established and followed in accordance with administrative rule R33-206.

III. POLICY AND PROCEDURES

A. SALES TO GOVERNMENT AGENCIES AND OTHER NON-PROFIT INSTITUTIONS

1. When property is sold to a state agency, custody will not be released until the purchaser has signed an accounts receivable billing invoice listing their Finet coding. For other agencies, a hard copy of a purchase order must be presented to the USASP. An accounts receivable sales invoice will be signed, including the full name and address of purchasing agency and the name and phone number of the representative making the purchase. Payment in-full is due within 30 days of the billing date.

B. SALES TO BUSINESSES

1. Payment may be in the form of cash and/or certified funds, authorized bank financial cards, and personal checks. Personal checks may not be accepted for amounts exceeding \$100. Two-party checks shall not be accepted.

Note: Exceptions to the above policy may only be made by the USASP Manager. Also, a 3% financial card use may be accessed.

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Subject: TERMS OF SALE		

C. SALES TO MEMBERS OF THE GENERALPUBLIC

1. Payment may be in the form of cash and/or certified funds, authorized bank financial cards, and personal checks. Personal checks may not be accepted for amounts exceeding \$100. Two-party checks shall not be accepted.

Note: Exceptions to the above policy may only be made by the USASP Manager. Also, a 3% financial card use may be accessed.

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Subject: SURPLUS PROPERTY HOLD POLICY		

I. PURPOSE

To establish and define the policy and procedures for holding property priority purchase by government, health and educational agencies and for holding property requested by general public customers.

II. BACKGROUND AND POLICY

A. USASP HOLD

The Agency for Surplus Property (USASP) may hold property for 30 days for sale to government agencies. Generally, 30 day hold property is construed to be unique, in short supply or in high demand. The USASP may mark and/or physically separate this property from other inventory. This purchase priority allows those agencies the first option to buy this property before it is offered for public sale.

B. CUSTOMER HOLD

1. Agency/Institution customers may place desired property in the inventory on hold for no more than five working days to allow time to arrange financing, transportation, purchase authorization, etc. This also gives agencies a priority over the public for purchasing state surplus property.
2. Individuals or the general public may have property held that they have purchased for later pick-up, only with the approval of USASP manager.

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Subject: SURPLUS PROPERTY HOLD POLICY		

III. PROCEDURES

A. USASP HOLD

State surplus property that is unique, and/or in high demand and in limited supply may be held for sale to tax supported and non-profit health and educational entities at the discretion of the USASP manager. Qualifying agencies are encouraged to take advantage of the priority purchase as soon as possible. When property meeting the above description becomes available, the USASP will mark and/or physically separate it for priority sale to government agencies. USASP will attempt to first satisfy the want list requests with this property. Afterwards, any eligible agency may purchase the property on a first-come, first-serve basis.

B. CUSTOMER HOLD

If, when shopping at the USASP, an eligible agency/institution finds property that it intends to purchase, the property may be placed on hold to allow time to pick it up, obtain purchase authority, etc. If that property is not picked up within the third working day period, the hold will be removed and the property may be offered for sale to other customers.

Note: Exceptions to the above policy may be made by the USASP Manager.

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Subject: THE WANT LIST		

I. PURPOSE

To define the policy for requesting needed and desired property not currently on hand at the Agency for Surplus Property (USASP).

II. BACKGROUND

Property that is needed but not currently available through the USASP may be requested and carried on a formal "WANT-LIST" to assist the Government agency(s) in obtaining the desired and needed property.

III. POLICY AND PROCEDURES

Government Agencies can mail/email written requests, call in requests or fill out a want list request form on the surplus web-page or when visiting the USASP facility. Want list requests will be reviewed for incoming property for up to three-months, after which Want Requests will be purged from the listing. Agencies/customers may re-submit want requests for the same item(s) upon list expiration. When an item requested on the want list becomes available, a phone call or other means will be utilized in an effort to contact each person with the information as provided. The USASP reserves the right to go to the next requesting agency/customer in order if a timely response is not received.

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Subject: RELATED PARTY SALES		

I. PURPOSE

To establish policy and procedures for the disposition of state surplus property to “RELATED PARTIES”.

II. BACKGROUND

A conflict of interest may exist or appear to exist when a “related” employee or otherwise “related party” attempts to purchase surplus property or is the recipient of transferred property. The USASP has a duty to the public to insure that surplus property is disposed of for a fair price, in an independent and ethical manner, and that the property has not been misrepresented when related parties are disclosed or discovered.

III. POLICY

- A. If the recommended purchaser has been disclosed and/or is determined to be a “related party”, the USASP will employ certain additional procedures to help insure ethical disposal of the property as referred to in section IV of this policy.
- B. A related party is defined as someone who may fit into any of the following categories:
 1. Has purchasing authority regarding repairs/parts for the surplus property.
 2. Has authority regarding or performs maintenance of the surplus property.
 3. Has signature authority regarding the disposition of surplus property.
 4. Has authority regarding the recommended disposition price of surplus property.
 5. Has access to or is privy to any possible insider or other related information that may result in a lack of independence in relation to the property.
 6. Is a relative of an employee of the owning agency. This includes any member of the employee’s immediate household and also includes parents, grandparents, in-laws, brothers, sisters, aunts, uncles, children

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or “step” relations of any of the above.

7. Is perceived to be a related party using any and all other criteria which would tend to prohibit the prospective purchaser from being completely independent regarding the sale of surplus property.

IV. PROCEDURES

- A. The USASP may ask each potential purchaser or property transfer recipient, whether or not they or a family member are employed by the state and what department/agency they work for. This information may be noted on the sales invoice if the purchaser is a state employee and investigated by the USASP prior to consummating the sale if the potential purchaser appears to be a related party.
- B. Owning state agencies must list any recommended purchasers or property transfer recipient on the standard form SP-1 and specify all related family or related individual that may benefit from this sale or transaction.
- C. When a prospective purchaser or property transfer recipient is discovered to be a “related party” purchaser, the USASP may employ one of the following methods to insure independent, ethical and proper disposition of the property.
 1. The USASP may require authorization and justification from the Department/Division/Agency/Section Head or Deputy (when the potential purchaser is not the Department/Division/Agency/Section Head or Deputy prior to selling the property to the “related party”). Otherwise, a higher approval would be sought. In this case, the applicable official should consider any internal maintenance or other records regarding the property and discuss such prior to approval. The discussion should also include a specific evaluation of pricing regarding the property and whether the approving official considers the sale to have a conflict of interest or lack of integrity.

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Subject: RELATED PARTY SALES		

IV. PROCEDURES

2. The USASP may choose to hold the property for sale on the next upcoming or may hold a specially advertised Surplus Auction. The prospective buyer must then compete against other bidders.
3. The USASP may choose to hold a sealed bid or employ some other appropriate method of sale regarding the property.
4. The USASP may choose not to sell the property to the related party under any circumstances if the relationship is considered to be of such a nature that independence and ethical considerations may not be compensated for through other means.
5. The USASP may employ some other method to compensate for a lack of independence in a related party transaction. The particular method employed will be documented.

Note: In all cases where a related party transaction is discovered, the Manager of USASP has final approval over the transaction.

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Subject: PAYBACKS TO SELLING AGENCIES		

I. PURPOSE

To define the policy for reimbursing user agencies for the sale of their surplus property.

II. BACKGROUND

The payback (reimbursement) of sales receipts will generally be made in the month following the month of sale of the property. A service and handling (S&H) fee may be assessed to recover the cost of Agency for Surplus Property (USASP) operations.

III. POLICY AND PROCEDURES

When surplus property is sold in any particular month, the USASP, as part of the month-end accounting process, will generate payback IAT's to selling agencies. These IAT's will be processed directly with the Division of Finance usually in the month following the month of sale. A "processed" copy of the IAT, as well as a payback remittance advice, will be forwarded to the user agency accounting section with the detailed information including a description of the item(s) sold, the sales price and the portion of the sales price paid back to the user agency. If the sales price of the item(s) is lower than the rate floor, no remittance IAT or remittance advice will be forwarded to the selling agency.

The service and handling charges assessed by the USASP are those approved by the Internal Service Fund Rate Setting Review Committee.

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Subject: GENERAL RATE STRUCTURE		

I. PURPOSE

To establish the rate structure by which the Agency for Surplus Property (USASP) obtains the necessary revenues to cover its cost of operations.

II. BACKGROUND

The USASP, as an Internal Service Fund, is not funded by appropriation. A service and handling charge (S&H) is assessed on surplus property sales and services as authorized by law to cover the cost of operations. Service rates will be charged for equipment use and/or labor for work performed in conjunction with all surplus (SP-1) transactions.

III. POLICY AND PROCEDURES

(See approved rates on the USASP surplus.utah.gov)

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Subject: PROCESSING SPECIAL CLASS SURPLUS PROPERTY		

I. PURPOSE

To establish and define the policy for processing special class surplus property.

II. BACKGROUND

Occasionally, surplus property of a unique or special nature is processed. It may include high value or unusual items not handled in the normal manner. Such property may never be physically brought in to the Agency for Surplus Property (USASP). Special class, for example, might include an airplane, a boat, or animals. These items may deserve some specialized disposal or handling procedures based on their size, unique nature or high value. In transactions of this type, a special service and handling charge may be determined by the USASP Manager with recommendations from the owning agency authorized agent.

III. POLICY AND PROCEDURES

USASP manager will coordinate with the selling and/or purchasing agency, as appropriate, the disposition and acquisition of special class surplus property. USASP manager may negotiate service and handling charges different from those specified in the "General Rate Schedule". Agencies requesting special class surplus property consideration should so request on the properly completed form SP-1. The request will be forwarded to the USASP manager with the specific details. The manager will evaluate the request and coordinate with the owning agency.

Note: For accounting practices, refer to the State of Utah Accounting Policies and Procedures Manual.

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Subject: DISPOSAL OF SURPLUS ELECTRONIC DATA DEVICES		

I. PURPOSE

To define the policy for proper disposal of electronic data devices.

II. BACKGROUND

The State has determined that the security risk of a potential data breach resulting from the improper disposal or sale of an electronic data device outweigh the potential revenue that may be received by the State from the sale of an electronic data device deemed surplus property.

III. POLICY

Disposal of all surplus electronic data devices must be in accordance with R33-26-202.

IV. PROCEDURES

A standard SP-1 must be submitted for all electronic data devices.

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Subject: DISPOSAL OF FIREARMS		

I. PURPOSE

To establish policy for the proper disposal of firearms which become surplus to an agency's needs.

II. BACKGROUND

Firearms and ammunitions is not considered state surplus property in accordance with Utah Code 63A-2-101.5 (9)(c)(iii)..

III. POLICY AND PROCEDURES

The USASP will not receive, store, handle or process firearms or ammunitions under the State Surplus Property Program.

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Subject: DISPOSAL OF HAZARDOUS WASTE		

I. PURPOSE

To establish a policy for disposal of hazardous waste.

II. BACKGROUND

- A. Certain types of equipment, fluids, chemicals, residue and other property may be considered hazardous to the health of the general public if not properly handled. The USASP is not trained, equipped or licensed to process hazardous waste.
- B. There are two general classifications of hazardous waste controlled by the Utah State Department of Health:
 1. Solid and Hazardous Waste
 - a. The generation, storage and disposal of solid and hazardous waste are regulated by the State Department of Health Bureau of Solid and Hazardous Waste. Any State agency generating such waste must obtain licenser for the generation and storage of the waste from the Bureau of Solid and Hazardous Waste. The disposal of such waste must be performed by a private contractor approved by the Bureau of Solid and Hazardous Waste.
 2. Radioactive Waste
 - a. The generation, storage and disposal or radioactive waste is regulated by the State Department of Health, Bureau of Radioactive Waste. Any agency **expecting** to generate radioactive waste must obtain prior approval and licenser through the Bureau of Radioactive Waste.

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Subject: DISPOSAL OF HAZARDOUS WASTE		

III. POLICY AND PROCEDURES

The USASP will not receive, store, handle or process hazardous waste. Disposal of such waste must be accomplished by an authorized contractor who is licensed and regulated by the Bureau of Radioactive Waste. Any agency discovering or suspecting that either type of waste exists at its facility must immediately contact the Utah State Department of Health. The Department of Health will advise of the appropriate steps for identifying and disposing of such waste in accordance with existing regulations. Disposal of hazardous waste does not require a form SP-1.

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Subject: OUTSOURCING OF STATE VEHICLES		

I. PURPOSE

To establish guidance for disposal of State vehicles and Heavy Equipment through contract outsourcing.

II. BACKGROUND

The USASP operates a disposal service for surplus state vehicles, which are sold in an effort to supplement State replacement cost. In the past, USASP operated a retail sales outlet prior to holding an on-site auction. In the calendar year 1999, USASP embarked on a pilot program to evaluate the possibility of outsourcing vehicle sales and auctions. The pilot program was conducted in conjunction with a private auction business, located in the greater Salt Lake area. This pilot program allowed USASP to establish state policies, procedures and rules governing the outsourcing of vehicle sales and auctions.

III. POLICY AND PROCEDURES

A. Utah State Agency for Surplus Property

1. The state may consign property, including vehicles and heavy equipment, to the contractor(s).
2. The State Agency for Surplus Property reserves the right to conduct, manage and operate State auctions and retail sales through Utah State e-commerce abetment outside of this contract, disallowing any compensation to the contractor for services not performed by the contractor(s).
3. The State may establish a reserve value on certain items prior to auction.
4. All vehicle ownership titles are stored by USASP in a secure location and released only upon sale of the vehicle.
5. Vehicle retail sale price is established by USASP, per the NADA or comparable book. All factors are considered when establishing sale price. Once price is established, only the USASP manager is authorized to make changes. The manager authorizing signature/document must be included with transaction record.
6. Intransit Permits (Form TC-408) may be issued for passenger vehicles sold by USASP.

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B. State Contractor(s) (refer to R33-26-102).

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Subject: USASP PERSONNEL GUIDELINES		

I. PURPOSE

To establish guidance for employee conduct and responsibilities.

II. BACKGROUND

Specific USASP guidelines and agency requirements are provided for personnel use. These guidelines may be used in determining personnel performance and adherence to division policy. If USASP policies are determined to be in conflict with other state and federal laws or rules, the state or federal laws, rules or regulations shall prevail.

III. POLICY AND PROCEDURES

A. General Operating Policy

1. Operating Hours

- a. The Agency must be staffed during normal business hours of 8 :00 a.m. - 5:00 p.m. Monday through Friday.
- b. The Agency is open to the general public during the following times: 8:00 a.m. - 4:00 p.m. Monday through Friday.

2. Care of Property

- a. Specific care is to be taken when loading, receiving and shelving property to avoid damaging items. When transporting electronic equipment in wet weather, the equipment should be covered to prevent water damage.

3. Check Out Policy

- a. All customers must be checked out by an Agency employee. All invoices are to be double-checked for the right allocation/inventory numbers and prices by the person checking out the customer, insuring that property and paperwork match prior to opening the automatic gate and/or allowing the customer to leave the Agency.

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4. Payback Policy and Service Charge

- a. Barring any unforeseen problems, paybacks will generally be made monthly in conjunction with the month-end close process.
- b. The specific payback rates will be applied in accordance with the current published rates.

5. Hold Policy

- a. Property may be held only for governmental agencies and for private purchasers when approved by the agency manager.
- b. NO down payments or promises/guarantees can be made on property.

6. Receiving Areas

- a. Receiving areas are restricted to customers unless accompanied by a member of the Agency staff.

7. Warranty Policy

- a. Property is sold as is, where is, with NO warranty of any kind. Refunds, credits or exchanges are not given on Federal or State property unless approved by the Manager.

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8. Agency Use Property

- a. Whenever it is determined that “surplus” property is needed for Agency use, the request must be approved by the manager. The State or Federal representative must write up a Distribution Document or a State Sales Invoice for the property including appropriate descriptions, inventory numbers, etc. Also, for Federal Property, approval from GSA will be applied for by the Property Utilization Officer.
 1. State Property: The property must be transferred or purchased for a reasonable price.
 2. Federal Property: No charge should be made when obtaining Federal Property for agency use. Federal property requests require approval from GSA prior to actual use of the property.
- b. Once the property has been written up for “Agency Use” and approved, the property may be used for Agency purposes. A copy of the invoice will be provided to the federal compliance officer for tracking purposes.

9. Agency Inventory

- a. Any property that is obtained for Agency use shall be acquired and disposed of as per agency policy. All Agency use items shall be placed into a database that includes item description, quantity, area, person responsible, and invoice or distribution document number if obtained from the State or Federal surplus property program. This database will be maintained and updated as necessary. An audit by Agency staff will be done on an annual, or as needed basis. Agency inventory will not be allowed to be used for personal use.

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10. Maintenance Schedule for Agency Equipment

- a. A schedule will be kept on all equipment used by the Agency that requires regular maintenance and special repairs. These will be recorded in a log that will include the date, frequency, vendor, costs, etc. This will allow the Agency to monitor repairs and increase the operational life of the equipment. This log will be maintained under the direction of the Manager. The Manager or their designee will also schedule preventative maintenance for the equipment according to manufacturer's guidelines. However, it is the staff member's responsibility operating the equipment to inform them of any breakdowns and to coordinate any repairs in a timely manner. Any cost of repairs must follow Division of Purchasing guidelines and be approved by the Agency Manager or their designee in advance.

11. Cash Handling Policy

- a. All funds received on behalf of the Surplus Property must be deposited in the banking facility that has been established by the divisions accounting department, in accordance with procedures set up herein. Funds should be deposited in accordance within the established time frame set forth by the divisions accounting department but, no less than five business days unless a specific exception has been approved by the agency manager or their designee.
- b. "Funds" in the context of this policy include cash, checks, money orders, certified fund checks, cashier checks, traveler checks, etc.

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12. Cash Handling Procedures

- a. All personnel must have the approval of the agency manager or their designee prior to handling cash.
- b. All transactions must be documented. Receipt should be completed immediately when the transaction is made.
- c. Transaction should be done in front of the payor to account for the funds being received.
- d. Checks transactions should be made out to the “State of Utah”
- e. Checks transacted should be immediately endorsed with the department's 'for deposit only' endorsement stamp. The endorsement stamp should have the department's name on it and must be 'for deposit only.' No other endorsement stamp is allowed.
- f. Refunds on over payment may not be made from received funds. Upon approval from the agency manager or their designee. If a refund is needed, a request should be sent to the divisions accounting department with the receipt number, date of receipt, amount of receipt, amount to be refunded, and an explanation. An exception for a refund is if the receipt was just written and the payment for that receipt has not been deposited yet and the item has not left the surplus location. In this case, the receipt would need to be voided and the original form of payment returned to the payor.
- g. Funds must be kept in the cash register, for offsite sales a locking cash box unless a cash tray or other secured device is available
- h. If funds become greater than \$500.00 in the cash register they must be accounted for and placed in the safe. To prevent tampering, when placing funds in the safe the amount needs to be documented on outside of a sealed container with the signature of the individual placing the funds in the safe.
- i. Funds must be secured in the safe at the end of the business day.

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- j. Daily accounting should be done whenever possible to account for the funds that were received from the prier day’s business. Any discrepancy should be immediately reported the agency manager or their designee.
- k. If receipts do not equal the total deposit, the difference should be documented in the over/short line. The difference should never be added to or deducted from starting cash in to balance the receipts to deposits.
- l. Funds shall be transported by contracting with an armored truck services (ATS) for deposit. When an ATS service is unavailable an authorized personal may transport funds provided a secured device is used such as locking cash bag or other secured device available.
- m. Combinations/keys to the safe need to be changed when there is an employee change over or a minimum of changing combination on an annual basis.

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B. State Operations

1. Vehicle Pricing and Retention Policy

a. All vehicles sold directly by USASP will be priced under the direction of the Manager or designee. The following steps will be considered in pricing vehicles:

1. Proper visual inspection of the general condition of the vehicle
2. Evaluation of written condition statements
3. Current NADA or comparable book price comparisons
4. Consideration of current market conditions
5. Past Sales Experience

b. During the sale period, every effort will be made to sell the vehicles at the best price possible by whatever means that seems appropriate. Generally, those means might include:

1. General lot sales
2. Sealed bid auction
3. Internet sales
4. Outsourcing to private auction contractor(s)

2. Vehicle Sales and Negotiations

a. Negotiations should not be done. Only the Manager or designee can authorize discounts below the rate schedule, and his/her approval should be documented by signing the sales invoice.

3. Control of Title's

a. All titles must be stored in a secure area. Only assigned staff should have access to these. Titles, if not already signed and notarized by the user agency, should not be signed or notarized until:

b. Cash sales – Payment may be in the form of cash and/or certified funds, authorized bank financial cards, and personal checks. Personal checks may not be accepted for amounts exceeding \$100. Two-party checks shall not be accepted.

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- c. Accounts receivable sales for non-state agencies should only be done in extraordinary cases – a formal purchase order generally precedes the sale for state property. Also, for state agencies, the purchaser must provide Finet coding. Any other exceptions must receive written approval from the manager.
- d. Auctions – titles should only be signed over and notarized only if the customer meets the “cash terms” referred to in item “b” above. The manager may approve a personal or business check (normally outside the terms of the sale).

4. Other Property Price Negotiation and Discounts

- a. State property available for general sales cannot be negotiated except by the manager or designee.

5. Transfer’s between Departments

- a. Transfer of non-vehicle personal property between departments to another department or agency of the state without involvement of the USASP in accordance with R33-26-2(3)(a) is authorized.

6. Trade-In of Personal Property

- a. Requests by state agencies to trade-in personal property for new or replacement property may be authorized for like items. Refer to the State Surplus procedures regarding transfers.

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7. Return of State Surplus Property to the owning Agency

- a. A written request stating the reason for the return. This request should be attached to the form SP-1 and/or the related invoice referred to below.
- b. Determine if a charge should be levied to the agency for effort already expended in picking up the property (if applicable). The charge would be based on the USASP's "Service Rate" structure approved by the rate committee.
- c. Have the agency representative sign a sales invoice for no charge (unless a handling fee is assessed) clearly documenting that the item(s) are being returned to the agency. The USASP and agency representative should both sign the invoice.
- d. If the customer requests the Agency to deliver property purchased, the Manager must approve such and a delivery charge will be levied in accordance with the Agency's "Service Rate" structure referred to above. The property will be delivered at the convenience of USASP if approved.

8. Payments

- a. NO "down payments" or "partial" payments are ever accepted for any reason. Unless, it is part of a standard auction procedure.
- b. Terms of Sale are as-is/where-is. Agency personnel are not authorized to make or give any warranty whatsoever.

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9. Sales Tax Collection

- a. All appropriate Sales Tax must be paid on all purchases unless exempt and or those requiring registration with the Division of Motor Vehicles (i.e. vehicles, ATV's, boats, certain trailers, farm use items, etc.) A tax form TC-721 must be completed and maintained on file for audit purposes.
- b. Certain other sales tax exceptions may be made if specifically approved by an authorized official of the Utah State Tax Commission. Where special exceptions are approved, the name, comments, etc. of the Tax Commission official approving the exception must be documented on the sales invoice.

10. Accounts Receivable Sales

- a. Sale of surplus property on account should only be authorized for pre-approved schools (i.e. – approved by the Manager) and state and local government agencies. New accounts must be approved by the Manager prior to writing up or relinquishing custody of the property. All State “accounts-receivable” customers must present us with a “hard copy” of a purchase order before we release custody of the property or sign over the title (in the case of vehicles, ATV's, boats, etc.) to them unless approved in writing by the Manager. Also, the full agency name, address and phone number, as well as the individuals “printed” name and phone number (if different from above) should be listed on the billing invoice for future reference. State agencies must include current Finet coding.

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C. Federal Program Operations

1. Federal DD Documents

- a. A minimum sale of \$25.00 is required on all federal DD documents. Exceptions need to be approved by the Agency Manager.
- b. All pertinent information needs to be put on DD's for Compliance Items i.e. S/N – Model # -Mfg. Name – etc. When writing up a DD for someone other than an authorized agent as listed in the eligibility file, a copy of the letter must be attached (stapled) to each individual DD and a copy filed in the customer file.
- c. All distribution documents must be signed by donees for all transaction including direct transfers.

2. Federal Screening of Property

- a. The manager will decide how often, who, where and when the Federal Property and Utilization Officers (screeners) will screen property at the various locations nationwide. If screeners have personal business to conduct, it should be done outside the scope of trip and should NEVER be the primary reason for the trip. All personal business costs must be incurred by the employee, not the state.

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3. Federal Surplus S&H Charges

a. The federal surplus property officer will base the donation fee on the federal acquisition cost (FAC). In general, the S&H charge shall reflect up to 20% of the FAC. Other factors to be considered when determining service charges shall include original Federal acquisition cost, screening costs, condition, desirability of property, transportation costs, repair and rehabilitation, utilization and compliance, and delivery to donee when required.

4. Federal S&H Charge for Direct Pickups

- a. The Federal Service and Handling charge on all surplus property screened and/or picked up by a donee may be reduced up to 19% of the Federal Acquisition Cost when approved by manager.
- b. Once USASP generates a document for a SF123, there can be a \$50.00 charge on any property canceled by the donee.

5. Fixed Price Vehicles

- a. Fixed Price Vehicles are purchased by the Agency from the Federal Government for a pre-determined price. They will be made available to local governments and State agencies for between \$200 and \$500 above the costs associated with their purchase. The amount of the mark-up will be determined by the condition of the vehicle and its utility to the local government or State agency that might purchase it.

D. Agency Staff Requirements

1. Smoking Policy reference R392-510-5

- a. Smoking is prohibited on State Surplus Property.

2. Transporting Equipment Policy

- a. When transporting Data Processing or other electronic equipment in wet weather, the property should be covered.

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3. Employee In/Out Policy

- a. ALL employees may be required to sign in/out whenever leaving or returning to the Agency other than at the beginning and end of the work shift. The actual time left/returned must also be included. The sign in/out board will be located in the front office area, along with a monthly calendar for all employees to list specific meetings they will be attending or other dates they will not be at the agency.

4. Time Accounting

- a. All employees not exempt from the Fair Labor Standards Act must fill out a time sheet bi-weekly. The time sheet should be filled out daily and include an accurate accounting of your time when working on STATE, FEDERAL or LESO/1033 duties. The completed time sheet should be turned in to your supervisor bi-weekly on the first working day following the end of the pay period.

5. Employee Purchases

- a. USASP employees are prohibited from directly purchasing items or equipment except through the manager with prior approval. An employee's relative may want to purchase an item from the USASP. It appears unethical if the related employee participates in the transaction in any manner. Therefore, the employee should not work with (sell property to) members of their families. This includes: parents, grandparents, brothers, sisters, aunts, uncles, or "step" of any of the aforementioned. Rather, the employee should ask the manager to work with their relative.

6. Lunch/Break Policy

- a. Lunch hours, breaks, etc. are to be followed according to most recent approved work schedule or as specified by agency management. One person should be available in the State/Federal warehouse and office areas to assist customers whenever possible. This is to insure that adequate staffing will be maintained at all times.

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7. Agency Vehicles

- a. Agency vehicles are to be properly maintained by the employee assigned to the vehicle. All drivers of State vehicles may have their licenses verified and checked annually. It is mandatory that all persons driving State vehicles obey traffic regulations and all occupants wear a seat belt. In addition, all employees that utilize state vehicles will be required to successfully pass a Division of Risk Management approved driver safety course annually.
- b. State vehicles are intended to be used for official state business. State vehicles may not be used for personal reasons. There is to be a vehicle daily log kept by all vehicle operators that tracks activities pertaining to Surplus Operations.

8. CDL Driver's Logs

- a. Any staff member that has a valid CDL license may utilize the Agency's semi for state business only. Prior to each use, the driver must perform a visual inspection of the equipment for suitability and maintain a trip log that will be located in the Semi. It is imperative that this log is kept up to date with proper mileage and times.

E. Safety

1. Safety should be considered and exercised in all aspects of employees assigned duties while at work. This includes the following considerations:
 - a. Office: close desk & file draws, be cautious with extension cords, multi-plugs and heaters. Space heaters are not approved for office use.
 - b. Vehicles: Obey all traffic laws, wear seat belts, properly secure cargo, forklift training and safety should be exercised and considered (keep away from forklifts when in operation).

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- c. A First Aid Kit is located in the front office.
- d. Refer to the subsequent section for safety clothing and uniforms.

F. Safety Clothing and Uniforms

These items will be purchased in accordance with the State of Utah purchasing rules and laws to provide added safety protection for employees.

1. Safety Shoes:

- a. The Agency may provide a pair of safety shoes for warehouse employees as often as once each year. There will be no cost to the employee for the initial pair or for the annual replacements if necessary. If the shoes are considered to be in fair condition, it may not be necessary to replace them.
- b. If the Agency supplies a pair of safety shoes for the employee, the employee must wear the shoes to work on a daily basis. The Agency will supply shoes costing up to **\$175.00** per pair.
- c. Each employee will be expected to care for the shoes in a regular and reasonable manner; i.e. polish, oil, replace shoelaces as needed, waterproof as needed, etc., in order to maintain a professional appearance.

2. Back Support:

- a. The Agency may provide a Lumbar Back Support for warehouse employees. This back support is intended to provide the employees with some protection, and each employee is responsible to employ this safety equipment. Agency warehouse staff is encouraged to wear the back support whenever lifting, moving, loading or handling property in any manner that may increase stress on the lower back.

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3. Gloves:

- a. Gloves will be provided for Agency Staff to aid in protecting their hands. A pair of gloves may be purchased by the Agency for the employee as often as the old pair wears out. If gloves are provided for Agency staff, they must be worn whenever safe to do so.

4. Uniforms: If issued should be worn daily

G. Federal Investigations

1. On occasion, USAP will be required to assist Federal authorities with an investigation arising from compliance violations. It is imperative that all Surplus staff work with the appropriate Federal authorities, as per their instructions, and not willfully impede an investigation. A complete and open communication will be enforced at all times. If the manager or fellow staff member is involved in a situation involving illegal, immoral, or unethical conduct, it shall be the responsibility of the witness to come forward and turn this person in to the proper authorities. This shall include, but not be limited to, their immediate supervisor, department head, GSA, or other local or federal law enforcement organization as it may seem appropriate at the time.
2. Any staff member found to be impeding an investigation or inquiry by any of the following means will be disciplined according to DHRM R477-11:
 - a. Willful perjuring themselves.
 - b. Displaying or witnessing unethical behavior.
 - c. Destruction of documents.
 - d. Performing or permitting an illegal activity at Surplus.

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3. Preparing Evidence Documentation

- a. On occasion, this Agency will be required to assist Federal authorities with any investigation arising from compliance violations. Information provided needs to be in a transmittal document format. This entails providing a cover sheet that a layperson can understand without the benefit or knowledge of surplus property operations, policies or procedures. The purpose of this is to be able to hand any documentation to someone that is unknowledgeable about surplus. This document needs to be as concise as possible and prepared by the actual person researching the information. This person also needs to prepare a cover letter explaining what was found. Signing the cover letter is an affidavit and a confirmation swearing that the preparer understands what they are submitting as evidence is factually true and correct. The Manger may also attach a cover letter on top of the preparer's if needed.

H. Previous Employee References

1. All Supervisors and staff are strictly prohibited from giving out employment references on previous employees unless approved by the Department Human Resources Manager. All such calls should be directed to Human Resources Manager for action.

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I. Fair Labor Standards

1. The only USASP employee exempt from the Fair Labor Standards Act is the Manager. All other employees are considered non-exempt and must account for their time on the Agency's approved time sheet form.
2. Non-exempt employees must follow their assigned work schedule and not be at their assigned work station before or after their assigned work times. Overtime is of concern to the Federal Fair Labor Standards Board. A non-exempt employee is not allowed to work any overtime without pre-authorization from the Manager.

J. Commercial Drivers License

1. Employees who are assigned to utilize the Agency's semi tractor-trailer must have a Commercial Drivers License as required by the Division of Motor Vehicles. The Agency will pay the costs associated with obtaining this license. This includes the medical exam, written exam, and driving test. Prior approval must be obtained from the Manager.

K. Employee Termination or Transfer

1. Employees that are terminated or transferred or are no longer employed by this agency must return all keys, phone calling cards, gate cards, Agency credit cards, appropriate clothing, tools, etc. before receiving their final paycheck. There will be no exceptions.

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L. Americans With Disabilities Act

1. The Agency will follow the Department of Human Resources Rules and Federal Regulations regarding the non-discrimination of individuals with disabilities. In summary, the law states that individuals with a disability will have the same access to goods and services as those without disabilities. Therefore, those persons with disabilities that visit our facilities will be afforded the same accessibility to surplus property provided to other members of the general public. There will be no exceptions.

M. Government Records Access Management Act

1. Information regarding the daily transactions of the Agency will be provided under the guidelines of the Government Records Access Management Act. Persons requesting information must do so in writing. The service charge for this is dependent upon the information requested and will be dealt with on a case-by-case basis in conjunction with the Agency's service rates. All information must be provided to the requesting person within one week of receipt of request with content reviewed and approved by the Manager.
2. No information regarding Federal Compliance cases or any other potentially sensitive situations may be provided to anyone without the written authorization of the Manager. This does not include information provided to customers regarding daily sales activities.