

**FAP 220-19-00**

**SURPLUS STATE-OWNED PERSONAL PROPERTY: DECLARATION AND DISPOSAL**

1. The Finance and Administration Cabinet, Division of Surplus Property shall dispose of state-owned personal property declared to be surplus to the needs of the Commonwealth, unless authority to declare and dispose of surplus property has been delegated to an agency head by the secretary of the Finance and Administration Cabinet. Disposal of surplus personal property shall be by one of the following methods:
  - a. Intra-agency or inter-agency transfer;
  - b. Use of the property as a trade in the procurement of a similar item;
  - c. Transfer to a unit of local government within the Commonwealth at a price determined by the Cabinet, and in accordance with FAP-220-20-00;
  - d. Transfer, at a price determined by mutual consent and in the Commonwealth's best interest, to a nonprofit organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, excluding a religious organization, or a nonprofit organization eligible to receive surplus federal property pursuant to 41 C.F.R. 101-44.207(c) and organized under the laws of the Commonwealth, another state, or the District of Columbia, or chartered under an Act of Congress, lawfully doing business in the Commonwealth of Kentucky, and serving a public purpose of an essentially governmental, civic, educational, or charitable nature, after first receiving from the recipient agency the certification and evidence of nonprofit status required in FAP 220-20-00;
  - e. Sale to the general public using either the sealed bid or auction, including consignment auction and internet auction methods of sale. Disposal by either of these methods shall be preceded by notice adequate to inform the general public of the sale, taking into consideration the estimated value of the items;
  - f. Disposal in accordance with applicable state and federal waste management laws and regulations if property is not suitable for transfer, trade, or sale; or
  - g. Other method as determined by the director of the Division of Surplus Property, in writing, to be in the best interest of the Commonwealth.
2. An agency wishing to dispose of state-owned personal property shall file with the Division of Surplus Property a State-Owned Personal Property Declared Surplus Form, B-217-2, prepared by the agency's property officer and approved by the agency head. The Division of Surplus Property shall determine the specific time, method, and grouping or bundling of items for disposal.
3. The secretary of the Finance and Administration Cabinet may delegate the authority to declare and dispose of surplus state-owned personal property to an agency head requesting delegation. The request for delegation shall:
  - a. Be signed by the agency head;
  - b. Assure that only property not needed or deemed non-serviceable by the agency shall be declared surplus;
  - c. Assure compliance with KRS Chapter 11A and that no employee of the Commonwealth shall personally benefit from the disposal of surplus property;

- d. Certify that disposal shall be in accordance with applicable federal and state laws and regulations, and Finance and Administration Cabinet policies and procedures;
  - e. Acknowledge that disposal of vehicles, boats, and other licensed equipment shall be excluded from the delegation unless specifically stated otherwise in the delegation, in accordance with section 9 below; and
  - f. Assure that disposal will serve the Commonwealth's best interests by seriously weighing each of the disposal options provided in section 1 above.
4. An agency with offices in or within five (5) miles of Franklin County that has been delegated authority to dispose of state-owned surplus personal property shall deliver the property to a Finance and Administration Cabinet, Division of Surplus Property warehouse for actual disposal, if property is suitable for transfer or sale, unless otherwise directed by the Division of Surplus Property.
  5. An agency with offices more than five (5) miles outside of Franklin County that has been delegated authority to declare and dispose of state-owned surplus personal property may:
    - a. deliver the property to a Finance and Administration Cabinet, Division of Surplus Property warehouse for actual disposal, if property is suitable for transfer or sale; or
    - b. dispose of the property by one of the methods provided in section 1 above.
  6. An agency that has been delegated authority to declare and dispose of state-owned surplus personal property shall:
    - a. delete surplus items from agency inventory listings;
    - b. maintain records of disposal;
    - c. manage the accounting of any applicable federal interest in the property;
    - d. retain the proceeds from the disposal of surplus property, unless the property has been delivered to a Finance and Administration Cabinet, Division of Surplus Property warehouse; and
    - e. make records of surplus property disposition available for audit by the Finance and Administration Cabinet.
  7. Property shall be delivered to a Finance and Administration Cabinet, Division of Surplus Property warehouse, only after calling to schedule delivery. Delivery shall be accompanied by a completed State-Owned Personal Property Declared Surplus Form, B-217-2, listing each item being delivered. The Division of Surplus Property shall retain all proceeds from disposal of property delivered to a Division of Surplus Property warehouse.
  8. Records of surplus property disposition by agencies delegated authority to dispose of state-owned surplus personal property shall be subject to audit by the Finance and Administration Cabinet.
  9. Vehicles, boats, and other similar licensed equipment shall be declared surplus and disposed of only upon approval by the secretary of the Finance and Administration Cabinet or his designee, unless an agency delegation specifically states that authority is delegated for these items. A request to surplus and dispose of vehicles, boats, or other similar licensed equipment shall be made on a State-Owned Personal Property Declared Surplus Form, B-217-2, and be accompanied by a current Certificate of Title. If the vehicle, boat, or other similar licensed equipment is inoperable and cannot feasibly be restored to an operable condition, the agency shall note the facts on the request so that an appropriate and efficient disposal method may be selected.

10. Proceeds from the sale of surplus vehicles, boats, or other licensed equipment shall be retained by, or returned to, the agency with a nominal handling charge set and deducted by the Division of Surplus Property if that division conducts the sale.

**KRS 45A.045(5)**  
**200 KAR 5:302(3)**