

**FAP 220-19-00**  
**SURPLUS STATE-OWNED PERSONAL PROPERTY**

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**1. Authority to Dispose:**

- a. Pursuant to KRS 45A.045(5), requests to sell, trade or otherwise dispose of state-owned personal property shall be submitted to the FAC Division of Surplus Property in accordance with Section 2 of this FAP. Requests shall be approved by the secretary of the FAC.
- b. Pursuant to KRS 45A.045(5), the secretary of the FAC 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:
  1. Be signed by the agency head;
  2. Assure that only property not needed or deemed non-serviceable by the agency shall be declared surplus;
  3. Assure compliance with KRS Chapter 11A and that no employee of the Commonwealth shall personally benefit from the disposal of surplus property;
  4. Certify that disposal shall be in accordance with applicable federal and state laws and regulations, and FAC policies and procedures;
  5. 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 2 of this FAP; and
  6. Assure that disposal will serve the Commonwealth's best interests by weighing each of the disposal options provided in Section 2 of this FAP.
- c. 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 the FAC Division of Surplus Property warehouse for actual disposal. This policy applies if the property is suitable for transfer or sale; otherwise contact the Division of Surplus Property for further instruction.
- d. 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:
  1. Deliver the property to a FAC Division of Surplus Property warehouse for actual disposal, if property is suitable for transfer or sale; or
  2. Dispose of the property by one of the methods provided in Section 2 of this FAP.

**2. Disposal:**

- a. An agency wishing to dispose of state-owned personal property shall declare the disposal one of two ways:
  1. If the personal property shall be relinquished to the Division of Surplus Property warehouse, the agency shall submit an Authorized Surplus Request through the Surplus Property Management System (SPMS).
  2. If the personal property shall be disposed by another method other than relinquishing to the Division of Surplus Property warehouse, the agency shall submit a State-Owned Personal Property Declared Surplus Form. This form shall be 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.

- b. Disposal of surplus personal property shall be by one of the following methods:
  - 1. Intra-agency or inter-agency transfer;
  - 2. Use of the property as a trade-in the procurement of a similar item with an outside vendor in accordance with FAP 111-54-00;
  - 3. Transfer to a unit of local government within the Commonwealth at a price determined by the Cabinet, and in accordance with Section 3 of this FAP;
  - 4. 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, 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 Section 3 of this FAP;
  - 5. 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;
  - 6. Disposal in accordance with applicable state and federal waste management laws and regulations, if property is not suitable for transfer, trade, or sale; or
  - 7. Another method as determined in writing by the director of the Division of Surplus Property to be in the best interest of the Commonwealth.
  - 8. Disposal of EPA regulated materials-Hazardous Items in the manner prescribed by the EPA and in accordance with all their standards, polices and regulations.
- c. Property shall be delivered to the Division of Surplus Property warehouse, only after submitting an Authorized Surplus Request through the SPMS and having the request approved and scheduled by the Division of Surplus Property. The Division of Surplus Property shall retain all proceeds from disposal of property delivered to a Division of Surplus Property warehouse.
- d. Vehicles, boats, and other similar licensed equipment shall be declared surplus and disposed of only upon approval by the secretary of the FAC or his/her designee, unless an agency delegation specifically states that authority is delegated for these items.
  - 1. A request to surplus and dispose of vehicles, boats, or other similar licensed equipment shall be made as provided in Section 2.a.
  - 2. Requests shall be accompanied by a current Certificate of Title.
  - 3. 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.
  - 4. 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.
- e. An agency that has been delegated authority to declare and dispose of state-owned surplus personal property shall:

1. Delete surplus items from agency inventory listings;
2. Maintain records of disposal;
3. Manage the accounting of any applicable federal interest in the property;
4. Retain the proceeds from the disposal of surplus property, unless the property has been delivered to the Division of Surplus Property warehouse; and
5. Make records of surplus property disposition available for audit by the FAC.

**3. Eligibility and Receipt of Outside Organizations:**

- a. A unit of local government in the Commonwealth or a nonprofit organization or entity may request and, for a nominal fee, purchase surplus state-owned personal property.
- b. Proof of eligibility of a unit of local government or tax-exempt nonprofit organization or entity shall be established prior to the purchase. Proof of eligibility may include:
  1. A Donee Authorization Card issued by the Division of Surplus Property;
  2. An IRS letter granting or recognizing tax-exempt status;
  3. A local unit of government purchase order; or
  4. A request from the entity on official local government letterhead.
- c. Payment for transferred property shall be by local government or nonprofit agency check only. Personal checks shall not be accepted.
- d. Title to any transferred property shall be in the name of the recipient agency.
- e. Personal property may be transferred to an approved entity above upon receipt of payment and of a signed acknowledgment. The acknowledgement shall include the description of the items, inventory number, serial number, quantity, transfer charge and a disclosure statement that addresses the retention and usage terms.

Relates to: KRS 45A.045; 200 KAR 5:302; KRS Chapter 11A