Personal Property Exchange/Sale
- Saving Your Agency Dollars  FMR 102-39

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What is Exchange/Sale?

To exchange or sell non-excess, non-surplus personal property and apply the exchange allowance or proceeds of sale in whole or in part payment for the acquisition of similar property.
Important Definitions

- **“Acquire”** means to procure or otherwise obtain personal property, including by lease.

- **Replacement** means the process of acquiring property to be used in place of property that is still needed but:
  
  (1) No longer adequately performs the tasks for which it is used; or
  
  (2) Does not meet the agency’s need as well as the property to be acquired.
Exchange/Sale can be done two ways…

- Agency can trade in the property for a credit towards the replacement property;

Or

- Agency can sell the replacement property and apply the money to the purchase of the new property.
Important Definitions continued

“Similar” means where the acquired item and the replaced item:

(1) Are identical;
(2) Are designed and constructed for the same purpose;
(3) Constitute parts or containers for identical or similar end items; or
(4) Fall within a single Federal Supply Classification (FSC) group of property that is eligible for handling under the exchange/sale authority.
Why use Exchange/Sale?

- Exchange/Sale is used to reduce your Agency’s cost of replacing personal property.

- But remember, you MUST use the money from Exchange/Sale to buy a “similar” item to the item exchanged or sold.
When NOT to use Exchange/Sale...

- Do NOT use Exchange/Sale if the estimated sales proceeds will be unreasonably low.

- Can NOT use Exchange/Sale for certain groups of property.
Property that Can NOT be Exchange/Sale:

- 10 Weapons
- 11 Nuclear ordnance
- 12 Fire control equipment
- 14 Guided missiles
- 15 Aircraft and airframe structural components (except FSC Class 1560 Airframe Structural Components)
- 42 Firefighting, rescue, and safety equipment
- 44 Nuclear reactors (FSC Class 4472 only)
- 51 Hand tools
- 54 Prefabricated structure & scaffolding
- 68 Chemicals and chemical products, except medicinal chemicals
- 84 Clothing, individual equipment, and insignia
Conditions for using Exchange/Sale

- (a) The property exchanged or sold is similar to the property acquired;

- (b) The property exchanged or sold is not excess or surplus, and you have a continuing need for that type of property;
Conditions continued…

- (c) The property exchanged or sold was not acquired for the principal purpose of exchange or sale;

- (d) When replacing personal property, the exchange allowance or sales proceeds from the disposition of that property may only be used to offset the cost of the replacement property, not services; and
Conditions continued…

(e) Except for transactions involving books and periodicals in your libraries, you document the basic facts associated with each exchange/sale transaction. At a minimum, the documentation must include:

- (1) FSC Group of items exchanged or sold, and items acquired;
- (2) Number of items exchanged or sold, and number of items acquired;
Conditions continued...

- (3) Acquisition cost, exchange allowance or net sales proceeds of items exchanged or sold, acquisition cost of the items acquired;
- (4) The date of the transaction(s);
- (5) The parties involved; and
- (6) A statement that the transactions comply with the requirements of this part 102-39
How Long Do You Have to Obligate The Money?

- The money from Exchange/Sale is available to the Agency during the Fiscal Year the item was sold; and for one Fiscal year thereafter.

- After this time period, the money goes back to the General Fund of the U.S. Treasury.
### Fee for commodities other than vehicles

<table>
<thead>
<tr>
<th>Asset Sales Price</th>
<th>Rate Per Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>$.01 - $1,000.00</td>
<td>$250 or award amount if less than 250</td>
</tr>
<tr>
<td>$1,000.01 – 5,000.00</td>
<td>25% of proceeds</td>
</tr>
<tr>
<td>$5,000.01 – 25,000.00</td>
<td>20% of proceeds</td>
</tr>
<tr>
<td>$25,000.01 – 50,000.00</td>
<td>17% of proceeds</td>
</tr>
<tr>
<td>$50,000.01 – 100,000.00</td>
<td>14% of proceeds</td>
</tr>
<tr>
<td>$100,000.01 – 150,000.00</td>
<td>11% of proceeds</td>
</tr>
<tr>
<td>$150,000.01 – 250,000.00</td>
<td>8% of proceeds</td>
</tr>
<tr>
<td>$250,000.00 and higher</td>
<td>6% of proceeds</td>
</tr>
</tbody>
</table>
Questions?