

Terms and Conditions

Certain restrictions apply when eligible organizations receive surplus property. These restrictions, regulated by State law and Federal Property Management Regulations, are mandatory, and must be agreed to by a recipient upon receiving surplus property. Both federal and state terms and conditions are listed below.

TERMS, CONDITIONS, RESERVATIONS AND RESTRICTIONS FOR FEDERAL SURPLUS PROPERTY

(If designated a Service Education Activity(SEA) by the Department of Defense, A.1,A.2, and C. do not apply)

A. THE DONEE CERTIFIES THAT:

1. It is a public agency or a non-profit institution or organization exempt from taxation under Section 501 of the Internal Revenue Code of 1954 within the meaning of Section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, and the regulations of the Administrator of General Services.
2. If a public agency, the property is needed and will be used by the recipient for carrying out or promoting for the residents of a given political area one or more public purposes, or, if a non-profit tax-exempt institution or organization, the property is needed for and will be used by the recipient for educational or public health purposes, including research for such purposes, programs for older individuals, or programs for providers of assistance to the homeless. The property is not being acquired for any other use or purposes, or for sale or other distribution, or for permanent use outside the state, except with prior approval of the State Agency.
3. Funds are available to pay all costs and charges incident to donation.
4. This transaction shall be subject to the nondiscrimination regulations governing the donation of surplus personal property issued under Title VI of the Civil Rights Act of 1964, Section 606 of Title VI of the Federal Property and Administrative Services Act of 1949, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended, Title IX of the Education Amendments of 1972, as amended, and Section 303 of the Age Discrimination Act of 1975.

B. THE DONEE AGREES TO THE FOLLOWING FEDERAL CONDITIONS:

1. All items of property shall be placed in use for the purpose(s) for which acquired within one year of receipt and shall be continued in use for such purpose(s) for one year from the date the property was placed in use. In the event the property is not so placed in use, or continued in use, the donee shall immediately notify the State Agency, and at the donee's expense, return such property to the State Agency, or otherwise make the property available for transfer or other disposal by the State Agency, provided the property is still usable as determined by the State Agency.

2. Such special handling or use limitations as are imposed by General Services Administration (GSA) on any items(s) of property.

3. In the event the property is not so used or handled as required by B.1. and 2., title and right to the possession of such property shall at the option of GSA revert to the United States of America, and upon demand, the donee shall release such property to such person as GSA or its designee shall direct.

C. THE DONEE AGREES TO THE FOLLOWING CONDITIONS IMPOSED BY THE STATE AGENCY, APPLICABLE TO ITEMS WITH A UNIT ACQUISITION COST OF \$5,000 OR MORE AND PASSENGER MOTOR VEHICLES, REGARDLESS OF ACQUISITION COST, EXCEPT VESSELS 50 FEET OR MORE IN LENGTH, AND AIRCRAFT:

1. The property shall be used only for the purposes(s) for which acquired and for no other purpose(s).

2. There shall be a period of restriction which will expire after such property has been used for the purposes(s) for which acquired for a period of 18 months from the date the property is placed in use, except for such items of major equipment on which the State Agency designates a further period of restriction.

3. In the event the property is not so used as required by C.1. and 2., and Federal restrictions B.1. and 2. have expired, then title and right to the possession of such property shall at the option of GSA revert to the State of Tennessee, and the donee shall release such property to such person as the State Agency shall direct.

D. THE DONEE AGREES TO THE FOLLOWING TERMS, RESERVATIONS, AND RESTRICTIONS:

1. From the date it receives the property and through the period(s) of time the conditions imposed by B. and C. above remain in effect, the donee shall not sell, trade, lease, lend, bail, cannibalize, encumber, or otherwise dispose of such property, or remove it permanently, for use outside the State, without prior approval of GSA under B. or the State Agency under C. The proceeds from any sale, trade, lease, loan, bailment, encumbrance or other disposal of the property, when such action is authorized by GSA or by the State agency, shall be remitted promptly by the donee to GSA or the State Agency, as the case may be.
2. In the event any of the property is sold, traded, leased, loaned, bailed, cannibalized, encumbered, or otherwise disposed of by the donee from the date it receives the property through the period(s) of time the conditions imposed by B. or C. remain in effect, without the prior approval of GSA or the State Agency, the donee, at the option of GSA or the State Agency, shall pay to GSA or the State Agency, as the case may be, the proceeds of the disposal or for the fair market value or the fair rental value of the property at the time of such disposal, as determined by GSA or the State Agency.
3. If at any time from the date it received the property through the period(s) of time the conditions imposed by B. and C. remain in effect, any of the property is no longer suitable, usable, or further needed by the donee for the purpose(s) for which acquired, the donee shall promptly notify the State Agency, and shall, as directed by the State Agency, return the property to the State Agency, release the property to another donee or another State Agency, a department or agency of the United States, sell or otherwise dispose of the property. The proceeds from any sale shall be remitted promptly by the donee to the State Agency.
4. The donee shall make reports to the State Agency on the use, condition, and location of the property and on other pertinent matters as may be required from time to time by the State Agency.
5. At the option of the State Agency, the donee may abrogate the conditions set forth in C. and the terms, reservations and restrictions pertinent thereto in D. by payment of an amount as determined by the State Agency.

E. THE DONEE AGREES TO THE FOLLOWING CONDITIONS, APPLICABLE TO ALL ITEMS OF PROPERTY:

1. The property acquired by the donee is on an "as is, where is" basis, without warranty of any kind.
2. Where a donee carries insurance against damages to or loss of property due to fire or other hazards, and where loss of or damage to donated property with unexpired terms, conditions, reservations or restrictions occurs, the State Agency will be entitled to reimbursement from the donee out of insurance proceeds of an amount equal to the unamortized portion of the fair value of the damaged or destroyed donated items.

F. TERMS AND CONDITIONS APPLICABLE TO THE DONATION OF AIRCRAFT AND VESSELS (50 FEET OR MORE IN LENGTH) HAVING AN ACQUISITION COST OF \$5,000 OR MORE, AND OTHER ITEMS OF PROPERTY REQUIRING SPECIAL HANDLING OR USE LIMITATIONS, REGARDLESS OF THE PURPOSE FOR WHICH ACQUIRED

The donation shall be subject to the terms, conditions, reservations, and restrictions set forth in the Conditional Transfer Document executed by the authorized donee representative.

TERMS, CONDITIONS, RESERVATIONS AND RESTRICTIONS FOR STATE SURPLUS PROPERTY

Organizations designated a Service Education Activity(SEA) by the Department of Defense are not eligible to acquire State surplus property

A. THE DONEE CERTIFIES THAT:

1. It is a public agency or a non-profit institution or organization exempt from taxation under Section 501 of the Internal Revenue Code of 1954 within the meaning of Section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, and the regulations of the Administrator of General Services, and has become eligible to participate in the Federal Surplus Property Program.
2. If a public agency, the property is needed and will be used by the recipient for carrying out or promoting for the residents of a given political area one or more public purposes, or, if a nonprofit tax-exempt institution or organization, the property is needed for and will be used by the recipient for educational or public health purposes, including research for such purposes. The property is not being acquired for any other use or purposes, or for sale or other distribution, or for permanent use outside the state, except with prior approval of the State Agency.

3. Funds are available to pay all costs and charges incident to donation.

B. THE DONEE AGREES TO THE FOLLOWING CONDITIONS IMPOSED FOR STATE SURPLUS PROPERTY:

1. The property acquired by the donee is on an "as is, where is" basis, without warranty of any kind.

2. For all surplus property, political subdivisions and other governmental entities and corporations organized and conducted not for profit whose chartered activities are related to health and/or education shall retain possession of such property for one (1) year unless disposal is approved by the Board of Standards.

3. Any transfer of motor vehicles, subject to the registration laws of this state, to a county, municipality or other political subdivision, governmental entity or corporation organized and conducted not for profit whose chartered activities are related to health and/or education determined by the Board of Standards shall become null and void, and such property shall revert to the state in the event that such political subdivision or governmental entity or corporation organized and conducted not for profit whose chartered activities are related to health and/or education does not transfer the registration of title to such motor vehicle to its name within seven (7) days after the sale.

4. Possession shall pass to political subdivisions of the state and other governmental entities upon receipt, by the state, of purchase vouchers of such political subdivisions and other governmental entities. Titles to motor vehicles sold as surplus property to political subdivisions and other governmental entities shall be closed as to the transferee when the title is passed.

5. Notwithstanding any provision of law, rule or regulation to the contrary, any profit realized from the resale of surplus property transferred to vocational programs operated under Title 49, Chapter 11, or state technical institutes operated by the State Board of Regents when such entity corporation has repaired the item through its vocational program for the purpose of resale shall not revert to the state, but may be retained by such entity or corporation. Notwithstanding any provision of the law to the contrary, such surplus property may be resold at any time after it has been repaired without prior approval of the Board of Standards. The resale of such surplus property shall be made only after public advertisement of the sale in a newspaper of general circulation in the county or municipality in which the sale will take place at least twice in a two-week period preceding the sale.

