



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
LANSING

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TO: Federal Surplus Program Donees
FROM: Seth Wright, Manager, State & Federal Surplus Programs
SUBJECT: Assessment of Service Charges

Effective January 1, 2016 Michigan's Federal Surplus Property Program revised its standard service charges on all direct transfers including overseas transfers. This standard service charge will ensure consistency of operations and allow all program participants to effectively plan for their property transfers. The service charge will be assessed as a percentage of the original Government Acquisition Cost (GAC) as follows:

| Government Acquisition Cost (GAC) | New/Usable/Repairable | Salvage/Scrap |
|-----------------------------------|-----------------------|---------------|
| \$ 0 to \$ 19,999 | 13% | 8% |
| \$ 20,000 to \$ 99,999 | 15% | 7% |
| \$ 100,000 to \$ 499,999 | 4% - 10% | 2% - 5% |
| \$ 500,000 to \$ 1,999,999 | 4% | 2% |
| Service Fee Caps | \$20,000 | \$10,000 |

Note: The maximum service charge for all direct transfer will be 15% of the GAC. A service fee cap is set at \$20,000 for new/usable/repairable items and \$10,000 for salvage/scrap items. The minimum total service charge per invoice will be \$100. This action is in accordance with Michigan's approved State Plan of Operation.

Please feel free to contact Federal Surplus at 517-241-3860 with any questions.