

# Understand Your Obligations When Acquiring Federal Donation Property

When you complete the application process for acquiring Federal Donation Property, you agree to certain “Terms and Conditions” regarding its use. Below are some of the main points regarding the acquisition and use of Federal Donation property.

- You will use the property only in the official program you represent. Personal use or non-use is not allowed.
- You will use items during their respective compliance period
- You will not sell, loan, trade or cannibalize the acquired property during the compliance period, unless we give you written permission to do so
- You will pay the Federal Government if you do not use the property according to your agreement
- The property you acquire will be considered Federal Financial Aid (23.4% of the price the Federal Government originally paid for the item).

## What are the compliance periods?

There are four distinct compliance periods; **12 month**, **18 month**, **60 month** and **perpetuity**.

**12 Month** – This states that the property will be put into use within 1 year, and you must use the property for a period of 1 year from the date you put it into use. This is for property with an original acquisition of less than \$5,000.00. Once the compliance period is over, ownership of the property reverts to your agency.

**18 Month** - This states that the property will be put into use within 1 year, and you must use the property for a period of 18 months from the date you put it into use. This pertains to property with an original acquisition of more than \$5,000.00, and a licensed or titled vessel or vehicle. Once the compliance period is over, ownership of the property reverts to your agency.

**60 Month** - This states that the property will be put into use within 1 year, and you must use the property for a period of 60 months from the date you put it into use. This pertains to aircraft and vessels over 50 feet in length. Once the compliance period is over, ownership of the property reverts to your agency.

**Perpetuity** – This is for demilitarized fighter aircraft used as static displays in museums. The museum will never be allowed to take ownership. If there is ever a time when the aircraft is no longer needed, the Federal Government retains possession. Ownership remains that of the Federal Government forever.