

1260.0400 FINANCING AND SERVICE CHARGE.

Subpart 1. **Fund.** A revolving fund, established pursuant to Minnesota Statutes, section 16B.28, subdivision 3, shall finance the acquisition, storage, and distribution of surplus federal property. The fund shall be maintained by the collection of service and handling charges.

Subp. 2. **Determination of charges.** Service charges shall be assessed at a rate taking into consideration costs involved in acquiring, storing, and distributing surplus property as required by Minnesota Statutes, section 16B.28. Factors considered in determining service charges shall be original acquisition costs, present value, screening cost, quantity, condition, desirability of property, transportation cost, loading and unloading cost, packing and crating, administrative cost, repair and rehabilitation, utilization and compliance, and delivery to donees when required.

Subp. 3. **Special costs.** When special or extraordinary costs occur, such costs will be added to the service charge. Costs which shall be added are as follows:

- A. Direct costs for rehabilitating property shall be added to the service charge.
- B. Additional direct costs for returning overseas property may be added to the service charge.
- C. Charges for major items with unusual costs may be added to the service charge.
- D. An additional charge may be made for dismantling, packing, crating, shipping, delivery, and other extraordinary handling charges.
- E. Extraordinary costs incurred in screening property may be added.

Subp. 4. **Direct transfer of property.** Where direct transfer of property to eligible donee is made, the service charge may be reduced taking into consideration savings made because of direct shipment to donee or other savings in the above-listed cost categories.

Subp. 5. **If program ends.** In the event the program is terminated, assets shall be converted to cash in accordance with these rules and all funds not used to pay outstanding obligations of the FSP activity shall revert to the general fund of the state of Minnesota.

Statutory Authority: *MS s 16B.04*

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