

SAM – INSTITUTIONAL FARMING AND PROCESSING OPERATIONS

SALE OF SURPLUS PRODUCTS

10950

(Revised 5/1987)

Sections [11330 to 11335](#), Government Code, require institutions that have products in excess of their needs to notify the [Department of General Services](#). Such notice will be prompt and, if possible, in anticipation of the actual availability of the product. In certain specific instances, advance approval is given by the Department of General Services for selling of livestock.

Surplus products sold to other institutions or private persons will be priced on Production Advices at actual sales price. If products are sold that have been accounted on a Production Advice at a different price, a supplemental Production Advice will be prepared to adjust their valuation to the sales price. These adjustments will be accounted as production for the period in which the supplemental Production Advice is prepared. For example, price adjustments for products produced in one fiscal year and sold at a different price in a subsequent fiscal year will be accounted as production (plus or minus) for the subsequent fiscal year.

The accounting office will prepare requisitions for local products that are sold.

Section [11334](#), Government Code, specifies that the proceeds will augment the appropriation that is current when the agency receives the proceeds. See SAM [10506](#) and [10507](#) for entries used to account sales of surplus products.