

ARIZONA DEPARTMENT OF TRANSPORTATION POLICIES AND PROCEDURES

FIN-11.08 FEDERAL PROPERTY MANAGEMENT STANDARDS

Effective: March 24, 2025
Supersedes: FIN-11.08 (1/28/2010)
Responsible Office: Fixed Assets Team
(602) 712-6639

Review: March 24, 2026
Transmittal: 2025 - February
Page 1 of 17

1.1 PURPOSE

To establish uniform standards governing the use and disposition of property acquired, in whole or in part, with federal funds or whose cost was charged to a project or program supported by a federal grant.

1.2 SCOPE

This policy applies to all recipients and subrecipients of federal funds awarded through a grant to the Arizona Department of Transportation (ADOT). The policy is limited to those items whose acquisition cost is at least \$5,000 per unit.

1.3 DEFINITIONS

Acquisition Cost

Acquisition cost means the (total) cost of the asset including the cost to ready the asset for its intended use. For example, acquisition cost for equipment, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software include those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the recipient or subrecipient's regular accounting practices.

Capital Asset

1. Tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP.

Capital assets include:

- a. Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards.
 - b. Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).
2. For the purpose of this part, capital assets do not include intangible right-to-use assets (per GASB) and right-to-use operating lease assets (per FASB).
 - a. For example, assets capitalized that recognize a lessee's right to control the use of property or equipment for a period of time under a lease contract. See also 2 CFR § 200.465.
 - b. The State of Arizona uses a threshold for capital assets of \$5,000 or more, and Federal Uniform Guidance uses a threshold of \$10,000 or more. For Federal grant—as well as other—purposes, “capital assets” means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP.

Encumbered

When one entity owns the asset, but there is a legal claim to that asset by another entity.

Equipment

Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or

exceeds the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes, or \$10,000. The lesser value is the State's threshold of \$5,000.

Special purpose equipment means equipment that is used only for research, medical, scientific, or other similar technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, spectrometers, and associated software.

General purpose equipment means equipment that is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.

Computing devices means machines that acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information.

Information technology systems mean computing devices, ancillary equipment, software, firmware, and related procedures, services (including support services), and resources. See also the definitions of computing devices.

Federal Agency

Agency means an "agency" as defined at 5 U.S.C. 551(1) and further clarified by 5 U.S.C. 552(f). The term generally refers to the agency that provides a federal award directly to a recipient unless the context indicates otherwise. ADOT Federal Agencies include, but are not limited to:

- A. United States Department of Transportation (DOT)
 - 1. Federal Highway Administration (FHWA)
 - 2. Federal Transit Authority (FTA)
 - 3. Federal Aviation Administration (FAA)
 - 4. Federal Motor Carrier Safety Administration

(FMCSA)

5. National Highway Transportation Safety Administration (NHTSA)
6. Federal Railroad Administration (FRA)

B. United States Department of Interior (DOI)

1. Bureau of Indian Affairs (BIA)
2. Bureau of Land Management (BLM)

Grant

Grant means a legal instrument of financial assistance between a federal agency and a recipient or between a pass-through entity and a subrecipient, consistent with 31 U.S.C. 6302, 6304:

1. Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)); and not to acquire property or services for the Federal agency or pass-through entity's direct benefit or use.
2. Does not include an agreement that provides only:
 - a. Direct United States Government cash assistance to an individual
 - b. A subsidy
 - c. A loan
 - i. A loan guarantee
 - d. Insurance.

Intangible Property

Property having no physical existence, such as trademarks, copyrights, data (including data licenses), websites, Internet Protocol (IP) licenses, trade secrets, patents, patent applications, and property, such as loans, notes and other debt instruments, lease agreements, stocks and other instruments of property ownership of either tangible or intangible property, such as intellectual property, software, or software subscriptions or licenses.

Pass-Through Entity	A recipient or subrecipient that provides a subaward to a subrecipient (including lower tier subrecipients) to carry out part of a federal program. The authority of the pass-through entity under this part flows through the subaward agreement between the pass-through entity and subrecipient.
Personal Property	Property other than real property. It may be tangible or intangible.
Real Property	Land, including land improvements, structures and appurtenances thereto, and legal interests in land, including fee interest, licenses, rights of way, and easements. Real property excludes moveable machinery and equipment.
Recipient	An entity, such as ADOT, receives a federal award directly from a federal agency to carry out an activity under a federal program. The term recipient does not include subrecipients or individuals that are participants or beneficiaries of the award.
Subrecipient	<p>An entity that receives a subaward from a pass-through entity to carry out part of a federal award. The term subrecipient does not include a beneficiary or participant. A subrecipient may also be a recipient of other Federal awards directly from a federal agency.</p> <p>Examples would be Pima Association of Governments (PAG), Maricopa Association of Governments (MAG), as well as cities and towns, Metropolitan Planning Organizations (MPO's), and Councils of Government (COG's). An entity that receives funding from a subrecipient is also a subrecipient. (Note: The terms and conditions of the federal award are carried forward from the recipient to the subrecipient.)</p>
Supplies	All tangible personal property other than those described in the equipment definition. A computing device is a supply if the acquisition cost is below the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes or \$10,000, regardless of the length of its useful life. The lesser value is the State's capitalization threshold of \$5,000.

Tangible Asset

A tangible asset is an asset that has a physical substance and has a useful life that extends beyond a single fiscal year. Depending upon its nature and value, a tangible resource is treated for accounting purposes, either as an expensed tangible or as a tangible asset.

1.4 **POLICY** - ADOT follows State laws and policies related to the use, management and disposal of equipment acquired. The list below provides the applicable State laws and policies that must be followed.

A. General Accounting Office (GAO) State of Arizona Accounting Manual (SAAM)
References found [here](#):

- 2505 – General Policies
- 2515 – Information Technology Resources
- 2520 – Determination of Cost
- 2525 – Betterments
- 2530 – Computation of Depreciation, Amortization and Salvage Value
- 2535 – Stewardship
- 2540 – Inventory Procedures
- 2550 – Collections, Groups of Fixed Assets, Assemblies of Components, Etc
- 2551 – Transfer of Fixed Assets between Agencies
- 2560 – Lost, Stolen or Destroyed Fixed Assets
- 2561 – Disposal of Fixed Assets
- 2562 – Trade-ins, Warranty Replacements and Cannibalization of Fixed Assets
- 2565 – Intangible Assets other than Software
- 2570 – Document Retention for Long-Lived Resources
- 2590 – Capitalization, Depreciation, Amortization and Posting Tables

B. Surplus Property Reference: [ADOA Surplus Property Reference Manual](#)

1. Additionally, when equipment is purchased under a Federal award, ADOT must adhere to not only State laws and policies, but it must adhere to Uniform Guidance as well.

C. Federal, Uniform Guidance: [2 CFR § 200 - Subpart D, Property Standards](#)

1. It is necessary to become familiar with the applicable laws and policies, and this policy will provide further guidance on the topic of how to properly use, manage and dispose of equipment purchased under an ADOT Federal award.

1.5 **FEDERALLY FUNDED REAL PROPERTY**

- A. Title - Title to real property acquired or improved under a federal award will vest upon acquisition to ADOT as the recipient, or to ADOT's subrecipient. However, ADOT and its subrecipient are responsible for adherence to any applicable federal program compliance requirements under Uniform Guidance [2 CFR § 200.311](#).
- B. Use - Except as otherwise provided by federal statutes or by the federal agency, real property will be used for the originally authorized purpose as long as needed for that purpose, during which time ADOT or its subrecipient must not dispose of or encumber its title or other interests.
 - 1. ADOT and its subrecipients must, at a minimum, also provide the equivalent insurance coverage for real property acquired or improved with federal funds as provided to other real property owned by them. Federally owned property need not be insured unless required by the terms and conditions of the federal award.
- C. Disposition - When real property is no longer needed for the originally authorized purpose, ADOT must obtain disposition instructions from the federal agency or pass-through entity. If a subrecipient is involved, then the subrecipient should notify ADOT in writing of their intent, and work with ADOT to complete the requirements under this section. The instructions must provide for one of the following alternatives:
 - 1. Retain title after compensating the federal agency. The amount paid to the federal agency will be computed by applying the federal agency's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property.
 - a. However, in those situations where ADOT or its subrecipient is disposing of real property acquired or improved with a federal award and acquiring replacement real property under the same federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.
 - 2. Sell the property and compensate the federal agency. The amount due to the federal agency will be calculated by applying the federal agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses.
 - a. If the federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When the subrecipient is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return.

(Note: Examples of how to calculate the federal agency's share of the sales

proceeds follow the method shared in Section 1.9.E of this policy.)

- b. Transfer title to the federal agency or to a third party designated/approved by the federal agency. ADOT is entitled to be paid an amount calculated by applying the subrecipient's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property.

1.6 FEDERALLY FUNDED EQUIPMENT

- A. Title - Subject to the requirements and conditions set forth in [2 CFR § 200.313](#), title to equipment acquired under a federal award will vest in ADOT, the recipient or subrecipient, as applicable, upon acquisition. Unless a statute specifically authorizes the federal agency to vest title to ADOT, its recipient or subrecipient without further responsibility to the Federal Government, and the federal agency elects to do so, the title must be a conditional title. Title must vest subject to the following conditions:
 1. Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project.
 2. Not encumber the property without approval of the federal agency or pass-through entity.
 3. Use and dispose of the property in accordance with sections 1.7 and 1.9 of this policy.
- B. General - ADOT must use, manage and dispose of equipment acquired under a federal award in accordance with state laws and procedures. The procedures are laid out in the following sections of this policy.

1.7 USE OF FEDERALLY FUNDED EQUIPMENT

- A. Use of federally funded personal property may be used with certain conditions as detailed below:
 1. Property shall be used by the recipient or subrecipient in the program or project for which it was acquired as long as needed, whether the project or program continues to be supported by federal funds.
 2. When no longer needed for the original program or project, the property may be used in other activities. If equipment is no longer needed in the original program and it is desired to be used on another activity, please contact the ADOT Fixed Assets Team to obtain prior approval from the federal agency.

3. The priority should follow this order:
 - a. The first priority would be for use for those programs supported by the federal agency, which funded the original program.
 - b. The second priority would be for use for activities under federal awards from other federal agencies, providing such use will not interfere with the work on the projects or programs for which it was originally acquired.
4. Use for non-federally funded programs or projects is also permissible. User fees should be considered if appropriate. The recipient or subrecipient shall not use property acquired with grant funds to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by federal statute.
 - a. Please contact the ADOT Fixed Assets Team to obtain prior approval, before proceeding.
5. When acquiring replacement property, the recipient or subrecipient may use the property to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the Federal agency, as well as ADOT.
 - a. Please contact the ADOT Fixed Assets Team to obtain prior approval, before proceeding.
- C. Property obtained under a federal grant may be titled to, be in the physical custody of, and be carried on the financial statements of, a recipient or subrecipient. However, from the perspective of the federal agency, ADOT is the agency to whom the federal agency has granted funds; as such, the federal agency expects ADOT to ensure that federal regulations are followed.
- D. Federal regulations permit states to impose their own requirements on their subrecipients. The State of Arizona does have more strict requirements, which apply to ADOT's subrecipients, as they apply to ADOT. Therefore, transactions, as described herein, may be subject to approval by ADOT.
- E. In the normal course of business, ADOT may grant funds to a subrecipient (e.g. MAG), which in turn grants them to its own subrecipient (e.g. a city or town). When this additional granting occurs, ADOT expects that ADOT's subrecipient will ensure compliance with all federal and state requirements, and further expects that ADOT's subrecipient will handle all communications with its subrecipient, including, but not limited to:

1. The gathering of information to complete the annual inventory, as described in Section 1.8 Inventory of Federally Funded Property.
 2. All rules governing the disposition of federally funded property, as described in Section 1.9 of this policy, 'Disposition of Federally Funded Property.'
- F. All federally funded property, regardless of whether title is held by ADOT or by a subrecipient, is subject to the Property Standards in [2 CFR § 200.310-316](#).
- G. Property management requirements for federally funded personal property include:
1. Maintain property records that contain the following information:
 - a. Description of property
 - b. Vendor
 - c. Model
 - d. Manufacturer
 - e. Serial number
 - f. Name of title holder
 - g. Acquisition date
 - h. Cost of property
 - i. Accumulated depreciation
 - j. Net book value
 - k. Federal agency (including the FAIN)
 - l. Percentage of federal participation
 - m. Percentage of recipient or subrecipient participation
 - n. Location, use, and condition of property
 - o. Date of disposal and sale price or trade-in value
 - p. Contact person, with phone number
 2. An annual physical inventory, which includes a report of all assets purchased in whole, or in part, with funds from the federal agency when required by that agency. For property owned by ADOT, the inventory must be reconciled to the financial statements as of the end of ADOT's fiscal year (June 30). Guidelines for inventorying property owned by subrecipients are discussed in Section 1.8, 'Inventory of Federally Funded Property.'
 3. A control system to prevent loss, damage, or theft.

4. Adequate maintenance procedures.
 5. Sales procedures (if authorized or required to sell property) ensure the highest possible return.
- H. ADOT and its subrecipients must, at a minimum, also provide the equivalent insurance coverage for equipment acquired or improved with Federal funds as provided to other property owned by them. Federally owned property need not be insured unless required by the terms and conditions of the federal award.

1.8 INVENTORY OF FEDERALLY FUNDED EQUIPMENT - ADOT may be required by the federal agency to submit an annual inventory of all assets purchased, in whole or in part, with federal funds, regardless of whether or not the property is in ADOT's physical custody or is carried on ADOT's financial statements. For property that ADOT's subrecipients (e.g. MAG), or their subrecipients (e.g. a city or town) purchased with federal funds through ADOT, the following rules must be followed:

- A. An asset listing must be kept that includes all information described in 1.7, G. of this policy.
- B. A physical inventory must be completed at least annually and this inventory must be reconciled to the subrecipient's financial statements as of the end of the entity's fiscal year (generally June 30).
- C. The inventory must be submitted by the subrecipient to the ADOT Fixed Assets Team at faadministration@azdot.gov annually no later than October 31.

1.9 DISPOSITION OF FEDERALLY FUNDED EQUIPMENT

- A. No property is to be transferred to another entity, removed from the physical custody of the subrecipient, or deleted from the subrecipient's financial records without written approval from the ADOT Fixed Assets Team at faadministration@azdot.gov.
 1. Approval received from the ADOT Fixed Assets Team will then be communicated through ADOT's subrecipient (e.g. MAG) to its subrecipient, if applicable.
- B. When property has been disposed of, it is the responsibility of the subrecipient to make sure the property is not included in the next inventory forwarded to ADOT, as described in Section 1.8 of this policy.
- C. When the subrecipient has received its funding from ADOT's subrecipient (e.g. a city

receiving funding from MAG), the flow of communication, and any required documentation, is as follows. All of this communication must be in writing.

1. MAG's subrecipient (e.g. city) will inform ADOT's subrecipient (e.g. MAG)..
 2. ADOT's subrecipient (e.g. MAG) will inform the ADOT Fixed Assets Team.
 3. ADOT Fixed Assets Team will inform ADOT's subrecipient (e.g. MAG) of the approval and of any additional required steps.
 4. ADOT's subrecipient (e.g. MAG) will inform their subrecipient (e.g. city).
- D. The following are requirements which are unique to the various categories of disposition. Communication with ADOT should be by an email, letter, or memorandum and must be submitted and forwarded to the ADOT Fixed Assets Team at faadministration@azdot.gov. This email, letter, or memorandum must contain the property's description, pictures of the property, and the reason for the request:
1. **MISSING/STOLEN**—The subrecipient must obtain a police report from a local law enforcement agency.
 2. **ACCIDENTAL DESTRUCTION**—The subrecipient must provide details about the destroyed property.
 3. **DONATION**—Approval of both the federal agency and ADOT are required prior to any donation.
 4. **SURPLUS**—When property obtained under a federal grant is no longer needed for the purpose for which it was obtained, the property may be used in other activities currently or previously supported by a federal agency. When the subrecipient has determined that no such use is available, the property may be removed from service (surplussed). However, prior approval of both the federal agency and ADOT are required.
 5. **CANNIBALIZATION/ON-SITE DESTRUCTION**—When it is determined that federally funded property has value as a component of other property ('cannibalization') or if it is determined that the most effective way to dispose of such property is to destroy it on-site, approval of both the federal agency and ADOT are required prior to the destruction.
 6. **TRADE-IN**—Trading in federally funded property as partial payment on replacement property, or selling, may be done with prior approval of both the federal agency and ADOT.
 - a. The subrecipient in communications with ADOT must include a complete description of the item(s) to be traded, a complete description of the item(s) to be purchased, a copy of the vendor

quote which specifies price, trade-in amount, and net cost, and the reason for the request.

- b. No purchase order should be placed for replacement equipment without affirmative approval of the ADOT Fixed Assets Team. For selling, the subrecipient must prepare an email, letter, or memorandum including the same information as for a trade-in, except that the manner of the sale is to be specified. The federal agency is entitled to a share of the proceeds per the examples shown in this policy below, as applicable.

7. **SELLING**—If a subrecipient wants to sell federally funded property without intending to obtain a replacement within the next funding cycle, the subrecipient may do so, but must have procedures in place and follow these procedures to ensure the property is sold to receive the highest return possible.

- a. The federal agency is still entitled to its share of the proceeds, per the examples shown in this policy below, as applicable. No sale should be placed without affirmative approval of the ADOT Fixed Assets Team.

8. **SALVAGE**—If any proceeds are received from the sale or salvage of scrap material, the federal agency is entitled to a share of these proceeds, as calculated in the examples shown in this policy below.

E. **Federal Agency Share of Sale Proceeds** - When a recipient or subrecipient sells, by any means (e.g. trade-in, auction, etc.), property purchased with federal funds, the federal agency is entitled to a share of the proceeds. However, any proceeds received from the sale of salvage or scrap material will not affect this share, and instead are to be credited to the project to which the material was originally charged, or to a similar project.

1. When the ADOT Fixed Assets Team corresponds with the federal agency, if they fail to respond within 120 days with disposal instructions, or the property has a current per unit fair market value of \$10,000 or less (per unit), the property may be retained, sold or otherwise disposed of without any further communication to the federal agency or pass-through entity.

2. **Federal Share Calculation** - The federal agency has the right to its share, calculated using the formula below, and may permit a deduction of \$1,000 of the proceeds, for its selling and handling expenses:

$$\begin{array}{r} \text{Current market} \\ \text{value Or} \\ \text{proceeds from sale} \end{array} \quad \times \quad \begin{array}{r} \text{Awarding agency's share} \\ \text{(federal participation \%)} \\ \text{of the equipment} \end{array}$$

(including trade-in)

3. **Trade-Ins** - If the grant agreement calls for the recipient or subrecipient to fund a percentage of the purchase price, that purchase price is calculated net of the trade-in amount, regardless of how much, if any, of the trade-in amount the federal agency is entitled to. See the example below

Trade-In Example 1 : The following facts are assumed

- Purchase price of replacement property—\$200,000
- Trade-in allowance provided by vendor—\$20,000
- Net invoice price—\$180,000
- Percent of old traded in property was funded by **federal agency** - 85%, and **subrecipient** - 15%
- Percent of new property to be funded by **federal agency** - 80% and **subrecipient**—20%
- In this example:
 - Federal:
 - Amount of trade-in allowance to federal agency—\$17,000 ($\$20,000 \times 85\%$ federal share on traded-in property)
 - In this example the federal share would be \$16,000 ($\$17,000 - \$1,000$ selling/handling)
 - Amount of purchase of new property funded by federal agency—\$160,000 ($\$200,000 \times 80\%$ federal share)
 - Amount of cash outlay by federal agency—\$144,000 ($\$160,000$ less $\$16,000$)
 - Subrecipient:
 - Amount of trade-in allowance to subrecipient—\$4,000 ($\$20,000$ less $\$16,000$)
 - Amount of purchase of new property funded by subrecipient—\$40,000 ($\$200,000 \times 20\%$ local share)
 - Amount of cash outlay by recipient or subrecipient—\$36,000 ($\$40,000$ less $\$4,000$)

Trade-In With Ineligible Amounts Example 2 : The following facts are assumed

- Purchase price of replacement property—\$200,000
- Trade-in allowance provided by vendor—\$20,000
- Net invoice price—\$180,000
- Percent of new property to be funded by **federal agency** - 80%, and **subrecipient** - 20%

- Purchase price of federally-funded traded-in property—\$90,000, which is a purchase price of \$100,000 minus an ineligible for federal participation attachment, of \$10,000
 - Percent of traded-in property allocated to subrecipient-funded attachment—10% (\$10,000/\$100,000)
 - Percent of traded-in property which was funded by federal agency (before accounting for attachment)—85%
 - In this example:
 - Amount of trade-in allowance directly allocated to subrecipient—\$2,000 (\$20,000*10% not eligible for federal participation)
 - Amount of trade-in allowance allocated to original purchase—\$18,000 (\$20,000 less \$2,000)
- Federal:
- Amount of remaining trade-in allowance to federal agency—\$15,300 (\$18,000*85% federal share on traded-in property).
 - Amount of purchase of new property funded by federal agency—\$144,700 (\$200,000*80% less \$15,300)
- Subrecipient:
- Amount of remaining trade-in allowance to subrecipient—\$2,700 (\$18,000 less \$15,300).
 - Total trade-in allowance to subrecipient—\$4,700 (\$2,000 not eligible, plus \$2,700 share of \$18,000)
 - Amount of purchase of new property funded by subrecipient—\$35,300 (\$200,000*20% local participation on new property, less \$4,700 trade-in allowance)

1.10 SUPPLIES

Title to supplies acquired under a grant will vest in the recipient or subrecipient, as applicable, upon acquisition. If, after termination or completion of the award, there is a residual inventory of unused supplies whose fair market value exceeds aggregate \$5,000, and if the supplies are not needed for any other federally sponsored programs or projects, the recipient or subrecipient shall compensate the awarding agency for its share, using the same manner as equipment.

- A. The recipient or subrecipient must not provide services (using the supplies) to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by federal statute. This restriction is effective as long as the Federal Government retains an interest in the supplies or as authorized by federal statute.

1.11 INTANGIBLE PROPERTY

- A. Title to intangible property acquired under a federal award vests upon acquisition in the recipient or subrecipient, who must use the property for the originally-authorized purpose, and must not encumber the property without approval of the Federal agency.
 - 1. When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in 2 CFR § 200.313(e), which mirror section 1.9 of this policy.
- B. The recipient or subrecipient may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a federal award. The federal agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.
- C. The recipient or subrecipient is subject to applicable regulations governing patents and inventions, including governmentwide regulations issued by the Department of Commerce at [37 CFR § part 401](#), "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements."
- D. The Federal Government has the right to:
 - 1. Obtain, reproduce, publish, or otherwise use the data produced under a federal award.
 - 2. Authorize others to receive, reproduce, publish, or otherwise use such data for federal purposes.
- E. In response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under a Federal award that were used by the Federal Government in developing an agency action that has the force and effect of law, the Federal agency must request, and ADOT or its subrecipient entity through ADOT must provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA.
 - 1. Published research findings means when:
 - a. Research findings are published in a peer-reviewed scientific or technical journal.
 - b. A Federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

“Used by the Federal Government in developing an agency action that has the force and effect of law” is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

2. Research data means the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: Preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This “recorded” material excludes physical objects (e.g., laboratory samples).
3. Research data also does not include:
 - a. Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law.
 - b. Personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

1.12 CONTACT INFORMATION

For questions, or to discuss situations not addressed in this policy relating to federally funded property, please contact the ADOT Fixed Assets Team using the contact information found here:

ADOT Fixed Assets Team

faadministration@azdot.gov