

Workshop on ADOT Policies and Procedures That Apply to PM-10 Certified Street Sweepers and Draft 2010 CMAQ Methodologies

December 6, 2010





ADOT Policies and Procedures - Federal Property Management Standards, Effective October 18, 2010



n Key Requirements

- | Flow of Communication
- | Property Management Requirements
- | ADOT Approval, Disposal, and Proceeds from Disposed Sweepers
- | Annual Inventory



Flow of Communication



n **Disposal**

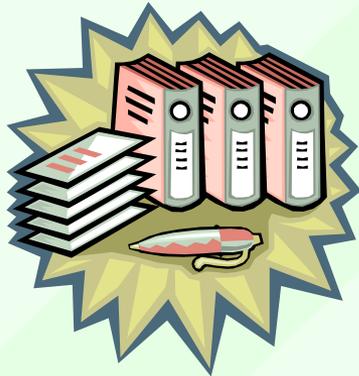
- | All communication must be in writing; entities will provide information to MAG and MAG will forward information to ADOT and following ADOT response, MAG will send response to the entities

n **Inventory**

- | MAG will compile information required and forward to ADOT



Property Management Requirements



- n Maintain property records
- n Annual physical inventory
- n Control system to prevent loss, damage, or theft
- n Adequate maintenance procedures
- n Sales procedures



ADOT Approval, Disposal, and Proceeds from Disposed Sweepers



- n Prior to disposal entities must notify MAG in writing; entities will provide information to MAG and MAG will forward information to ADOT
- n ADOT approval is required prior to the disposal of CMAQ funded PM-10 certified street sweepers - MAG will send ADOT response to the entities
- n ADOT Policies and Procedures establish methods for calculating FHWA's share of the sale proceeds



Trade-In or Selling with Replacement

- n ADOT approval required
- n Complete description of the item to be traded
- n Complete description of the item to be purchased
- n Copy of vendor quote with price, trade-in amount, net cost, and reason for request
- n No purchase order should be placed for replacement equipment without approval from ADOT
- n For selling, provide same information and specify the manner of the sale



Trade-In or Selling Without Replacement within the Next Funding Cycle

- n ADOT approval required
- n Federal awarding agency is entitled to a share of the proceeds based on the percentage of federal participation and the share may be administered using either of two methods:
 - | The entity selects to forward the share to MAG to be used for the purchase of sweepers regionwide
 - | The entity selects that it and MAG will track the amount entitled to the federal awarding agency with the intent of properly applying the funds to the purchase of a new sweeper at some future date for that entity





ADOT Example: Calculation for proceeds from trade-in or sale of sweeper

Original Sweeper	
Federal Participation	85%
New Sweeper	
Purchase Price	\$ 200,000
Trade-in Allowance	\$ 20,000
Net Invoice Price	\$ 180,000
Cash Match ($\$180,000 * 20\%$)	\$ 36,000
Federal Trade-in allowance ($\$20,000 * .85$)	\$ 17,000
Local Trade-in allowance	\$ 3,000
Remaining Local Cash Match	\$ 33,000



ADOT Example: Calculation of proceeds from trade-in or sale of sweeper that includes attachment not eligible for federal participation

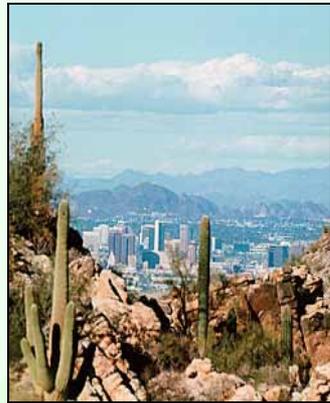


Original Sweeper

Eligible for Reimbursement		
Federal Participation		85%
Total Purchase Price	\$ 90,000	
Ineligible for Reimbursement		
	\$ 10,000	10%
Grand Total	\$100,000	

New Sweeper

Purchase Price	\$200,000
Trade-in Allowance	\$ 20,000
Net Invoice Price	\$180,000
Cash Match (20%)	\$ 36,000
Local share allowance for attachment(s) $\$20,000 * 10\%$	\$ 2,000
Federal share $\$18,000 - (\$18,000 * .85)$	\$ 15,300
Local share allowance	\$ 2,700
Remaining Local Cash Match	\$ 31,300



Annual Inventory

- n MAG requests information from entities in August
- n Entities report on all street sweepers that reconcile to the financial statements as of the end of the entity's fiscal year (generally June 30)
- n MAG compiles information and submits inventory to ADOT by October 31



Information for Annual Inventory

- n Description of property
- n Vendor
- n Model
- n Manufacturer
- n Serial number
- n Name of title holder
- n Acquisition date
- n Cost of property
- n Accumulated depreciation
- n Net book value
- n Federal awarding agency
- n Percentage of federal participation
- n Percentage of recipient or subrecipient participation
- n Location, use, and condition of property
- n Date of disposal and sale price or trade-in value
- n Contact person, with phone number

For more information

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