



Federal Interest Documentation Requirements

Fact Sheet



Federal Interest Documentation Requirements FACT SHEET

Version 2.0

National Telecommunications and Information Administration

Public Wireless Supply Chain Innovation Fund

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1.0 Introduction: Federal Interest Documentation Requirements

This document is intended to provide general guidance on the Federal Interest documentation requirements as they pertain to Federal financial assistance awards under the Public Wireless Supply Chain Innovation Fund (PWSCIF) of the National Telecommunications and Information Administration (NTIA). This guidance is not a substitute for the terms and conditions of a specific PWSCIF award, including those found in the PWSCIF's Notices of Funding Opportunity, the [Department of Commerce Financial Assistance General Terms and Conditions](#) applicable Federal regulations such as Title 2, Part 200 of the Code of Federal Regulations (CFR), and any Specific Award Conditions. Should this fact sheet and any PWSCIF award terms conflict, the terms and conditions of a specific PWSCIF award shall apply.

Any projects entailing the purchase of Real Property and/or equipment internationally require consultation with the award's Federal Program Officer and Grants Officer.

1.1 Overview of the Federal Interest

The Department of Commerce's uniform standards governing the management and disposition of real property, equipment, and intangible property acquired or improved, in whole or in part, under a Federal financial assistance award are set forth in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR Part 200 (Uniform Administrative Requirements). The Department of Commerce adopted the Uniform Administrative Requirements through 2 CFR § 1327.101.

The Uniform Administrative Requirements are incorporated into the terms and conditions of all PWSCIF awards. Under these regulations, each recipient and subrecipient of a PWSCIF award holds all real property, equipment, and intangible property that are acquired or improved, in whole or in part, with a PWSCIF award (PWSCIF Property) in trust for the beneficiaries of the project or program under which the property was acquired or improved. See 2 CFR § 200.316. This trust relationship exists throughout the duration of the useful life of the PWSCIF Property, as determined by NTIA in accordance with the PWSCIF Useful Life Schedule (Attachment E), during which time NTIA retains an undivided equitable reversionary interest in the PWSCIF Property (Federal Interest). The amount of the Federal Interest is computed as the percentage of the then current fair market value of the PWSCIF Property attributable to NTIA's participation in the PWSCIF project. See 2 CFR § 200.311 (a). Where cost share is used for the purchase of equipment (See 2 CFR 200.313) or Real Property (See 2 CFR 200.311), these items shall be considered to be acquired with Federal funds for purposes of Federal Interest and disposition requirements, which broadly apply to property "acquired under [a] Federal award". This provision does not apply to in-kind real or personal property that was acquired before the start of the award's Period of Performance, unless it has been improved upon under a PWSCIF award.

During the duration of the Federal Interest, the PWSCIF recipient or subrecipient shall not:

- Sell, lease, transfer, assign, convey, hypothecate, mortgage, or otherwise convey any interest in the PWSCIF Property without the prior written approval of the Grants Officer.
- Use the PWSCIF Property for purposes other than the purposes for which the award was made without the prior written approval of the Grants Officer.
- Fail to comply with Federal laws and regulations, Department of Commerce policies, Executive Orders, and Office of Management and Budget (OMB) requirements that are incorporated into the terms and conditions of the award.

Under the terms and conditions that govern PWSCIF awards, recipients and subrecipients must execute and record certain documentation of the Federal Interest.

1.2 Scope of the Federal Interest Documentation Requirement

Each recipient or subrecipient of a PWSCIF award must execute and file documentation of the Federal Interest with respect to the acquisition or improvement of PWSCIF Property (See 2 CFR § 200.316). For PWSCIF Property located and acquired in the United States, the documentation must be filed in the appropriate office(s) in the State in which the property is located and be acceptable in form and substance to NTIA. For PWSCIF Property acquired abroad, the recipient must discuss appropriate documentation procedures with NTIA and the Grants Officer. The obligations of the recipient or subrecipient, with respect to the PWSCIF Property, remain in effect for the entire useful life of the PWSCIF Property. Failure to properly and timely file and maintain such documentation of the Federal Interest may result in appropriate enforcement action under a PWSCIF award, including, but not limited to, disallowance of the costs of acquisition or improvement.

Recipients and subrecipients are not required to document or record evidence of the Federal Interest in in-kind real or personal property that was acquired before the start of the award's Period of Performance, unless it has been improved upon under a PWSCIF award¹. Equipment purchased with cost share, i.e. that is not in-kind, remains subject to the Federal Interest.

The requirements to document and record evidence of the Federal Interest in PWSCIF Property apply equally to recipients and subrecipients of PWSCIF awards. Each PWSCIF award recipient should ensure that its subrecipient monitoring plans include appropriate implementation of these requirements.

¹ This applies to real or personal property donated to the project as a recipient, subrecipient, or third-party in-kind contribution.

1.3 Documentation of the Federal Interest for PWSCIF Property

Discussed below are the approaches for documenting the Federal Interest in real property, fixtures, and/or intangible personal property. Also discussed below are the: (i) timing requirements for the recording or filing of the applicable Federal Interest documentation; (ii) requirement for an attorney certification pertaining to the execution and recording or filing of the applicable Federal Interest documentation; and (iii) requirements for the submission of the Federal Interest documentation to NTIA/PWSCIF, all of which apply to PWSCIF Property regardless of character.

In some cases, applicable state, local, or international laws may vary from the general approaches described herein. In such cases, the recipient or subrecipient should ensure that their approach complies with any additional or different requirements of the applicable law and confirm the appropriate processes with their Grants Officer and Federal Program Officer (FPO). If the recipient or subrecipient has existing secured lending relationships where a dragnet-type clause in existing lending documents purports to encumber subsequently acquired property, then the recipient may need to consult its loan documents to ensure that the Federal Interest in the PWSCIF Property would be in a first, unsubordinated lien position, and may need to obtain any required consents from its lender. Recipients or subrecipients should contact their counsel regarding the preparation and filing of the relevant documents and then follow up with the assigned PWSCIF FPO if further guidance is needed.

1.3.1 Real Property

1.3.1.1 Recording Real Property under PWSCIF

To document the Federal Interest in PWSCIF Property consisting of real property, the recipient or subrecipient must prepare and properly record a “Covenant of Purpose, Use, and Ownership” (Covenant). The Covenant differs from a traditional mortgage lien in that it does not establish a traditional creditor relationship requiring the periodic repayment of principal and interest to NTIA. Rather, pursuant to the Covenant, the recipient or subrecipient acknowledges that it holds title to the real property (2 CFR 200.311) in trust for the public purposes of the PWSCIF financial assistance award and agrees, among other commitments, that it will repay the Federal Interest if it disposes of or alienates an interest in the real property, or uses it in a manner inconsistent with the public purposes of the PWSCIF award, during the useful life of the property.

The Covenant must be properly recorded in the real property records in the jurisdiction in which the real property is located in order to provide public record notice to interested parties that there are certain restrictions, in accordance with 2 CFR 200.311 on the use and disposition of the real property during its useful life. These recordings are required for real property acquired or improved under the Federal award (regardless of whether the budget line item associated with the property is from the

Federal share or the cost share of the award), but not for that previously purchased or acquired by the recipient (i.e. “in-kind”).

1.3.1.2 Disposition of Real Property under PWSCIF

Property disposition occurs when real property under a Federal award is no longer needed for its original project, program, or activity under the award. The recipient or subrecipient must request disposition instructions from the Federal agency or pass-through entity, as required by the terms and conditions of the Federal award. Recipients and subrecipients must adhere to the disposition requirements contained in 2 CFR 200.311(d). Disposition requirements apply to all real property purchased under the Federal award (regardless of whether the budget line item associated with the purchase is from the Federal share or the cost share of the award), but do not apply to items previously purchased or acquired by the recipient (i.e., “in-kind contributions”).

Compensation amount due to the Federal agency is determined by the type of disposition that occurs and should be calculated per 2 CFR 200.311(d). Per 2 CFR 200.311(d), there are three allowable disposition methods: the recipient or subrecipient may retain title to the property and compensate the Federal agency (200.311(d)(1)); sell the property and compensate the Federal agency (200.311(d)(2)) or transfer the title to the Federal agency or an approved third party (200.311(d)(3)). The recipient or subrecipient must obtain disposition instructions from the Federal agency prior to disposing of the real property.

Additionally, it must be noted that NTIA retains an undivided equitable reversionary interest in the real property to the extent of its participation in the PWSCIF project, i.e., the Federal Interest. Attachment B to this guidance provides a suggested sample form to use for the Covenant to record notice of the Federal Interest in real property.

1.3.2 Fixtures and Personal Property

To the extent that the PWSCIF Property consists of fixtures or personal property other than supplies (both tangible, such as equipment, or intangible, such as licenses or permits), the recipient or subrecipient must record UCC Financing Statement (“UCC-1”) forms with the appropriate State office in accordance with that state’s codification of the Uniform Commercial Code (UCC), Article 9 (for personal property not affixed to land) and/or record in the real property records of the jurisdiction where the real property is located if for assets fixed to the land. The recipient or subrecipient should consult the law of the state or jurisdiction where the asset is located to determine whether it should be classified as real or personal property. For property neither acquired nor located in the United States, the recipient or subrecipient should contact their Grants Officer and FPO for instructions.

1.3.3 Summary of the Federal Documentation Requirements for PWSCIF Property Consisting of Real Property vs. Fixtures and Personal Property

The below matrix summarizes the Federal Interest documentation requirements associated with the common items of PWSCIF Property.

Type of PWSCIF Property	Approach to Documenting the Federal Interest
Real Property (land and improvements, structures, appurtenances, except movable machinery and equipment)	<ul style="list-style-type: none"> • Properly executed and recorded Covenant of Purpose, Use, and Ownership; in the case of land leases, easements, rights-of-way, or other non-fee simple interests in real property, the recipient's interest should be as long as the useful life of any property deployed or installed thereon, unless other terms acceptable to NTIA have been approved in writing by the Grants Officer. The recipient must ensure that either the associated agreement acknowledges the Federal Interest in the property, which should provide for a right of assignment if the recipient fails to act in accordance with the terms and conditions of the PWSCIF award, or that a covenant that acknowledges the Federal Interest is recorded. • The recipient or subrecipient should consult applicable state law to determine whether a particular asset should be classified as either real or personal property.
Fixtures (personal property so affixed to the land that it is legally considered part of the realty)	<ul style="list-style-type: none"> • UCC filed in the jurisdiction where the real property is located, renewed as necessary for as long as the useful life of the fixture; in the case of land leases, easements, rights-of-way, or other non-fee simple interests in real property, the recipient's interest must be as long as the useful life of the fixture deployed or installed thereon, unless other terms acceptable to NTIA have been approved in writing by the Grants Officer. The recipient must ensure that either the associated agreement acknowledges the Federal Interest in the property, which should provide for a right of assignment if the recipient fails to act in accordance with the terms and conditions of the PWSCIF award, or that a covenant that acknowledges the Federal Interest is recorded. • The recipient or subrecipient should consult applicable state law to determine whether a particular asset should be classified as either real or personal property.
Personal Property, both tangible and intangible	<ul style="list-style-type: none"> • UCC-1 filed in the central filing office as directed under the State's Uniform Commercial Code, Article 9, noting the Federal Interest in the personal property, renewed as necessary for as long as the estimated useful life of the property, as determined by NTIA in

	<p>accordance with the PWSCIF Useful Life Schedule; or if another legal filing scheme preempts the UCC, then in accordance with such requirements. In the case of capital leases of personal property, including, where applicable, indefeasible right-of-use agreements, the recipient must ensure that either the associated agreement acknowledges the Federal Interest in the property, which should provide for a right of assignment if the recipient fails to act in accordance with the terms and conditions of the PWSCIF award, or that a UCC-1 that acknowledges the Federal Interest is recorded.</p> <ul style="list-style-type: none"> • The recipient or subrecipient should consult applicable state law to determine whether a particular asset should be classified as either real or personal property.
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1.4 Documentation of the Federal Interest for PWSCIF Equipment

1.4.1 Recording of PWSCIF Equipment

If equipment is acquired in part or in its entirety under the Federal award, the recipient or subrecipient must adhere to use of the equipment as stated in 2 CFR 200.313(c) and manage the equipment (including replacement equipment) utilizing procedures that meet the requirements stated in 2 CFR 200.313(d).

To document the Federal Interest in PWSCIF equipment, within 30 calendar days of acquisition under a Federal award the recipient or subrecipient must record UCC Financing Statement (“UCC-1”) forms with the appropriate State office in accordance with that state’s codification of the Uniform Commercial Code (UCC), Article 9, including Attachment C “Schedule A” equipment list. The recipient or subrecipient should consult the law of the state or jurisdiction where the asset is located to determine whether it should be classified as real or personal property. In situations dealing with equipment acquired by foreign recipients and subrecipients, and located outside the United States, recipients and subrecipients should consult with their FPO and Grants Officer for guidance.

UCC forms may differ slightly from state to state. This form is available from an attorney, a bank’s loan department, a State’s Department of Corporations, or the Secretary of State. Attached to this guidance as Attachment C is the NTIA/PWSCIF information that recipients and subrecipients should use when completing a UCC-1 financing statement, as well as a sample UCC-1 form containing such information.

Title to equipment acquired under the Federal award will vest upon acquisition in the recipient or subrecipient and must be conditional title, unless a Federal statute specifically authorizes the Federal agency to vest title in the recipient or subrecipient without further responsibility to the Federal

Government (and the Federal agency elects to do so), and subject to conditions set forth in 2 CFR 200.313(a). A conditional title means a clear title is withheld by the Federal agency until conditions and requirements specified in the terms and conditions of a Federal award have been fulfilled.

1.4.2 Disposition of PWSCIF Equipment

Disposition of equipment occurs when equipment acquired under a Federal award is no longer needed for its original project, program, or activity. The recipient or subrecipient must request disposition instructions from the Federal agency or pass-through entity, as required by the terms and conditions of the Federal award. PWSCIF equipment must adhere to the disposition requirements contained in 2 CFR 200.313(e). If agency doesn't provide disposition instructions within 120 days of receiving a request, the disposition instructions in 200.313(e)(2) may go forward. Disposition requirements apply to all equipment purchased under the Federal award (regardless of whether the budget line item associated with the purchase is from the Federal share or the cost share of the award), but do not apply to items previously purchased or acquired by the recipient (i.e., "in-kind contributions").

The equipment with a current fair market value of \$10,000 or less (per unit) may be retained, sold, or otherwise disposed of with no further responsibility to the Federal agency or pass-through entity. In addition, except as provided in 2 CFR 200.312(b) or if the Federal agency or pass-through entity fails to provide requested instructions within 120 days, equipment with a current fair market value of more than \$10,000 (per unit) may be retained or sold by the recipient or subrecipient, but the Federal agency is entitled to an amount calculated by multiplying the percentage of the Federal agency's contribution towards the original purchase by the current market value or proceeds from the sale. See 2 CFR 200.313(e)(2) for more information. The recipient or subrecipient may also transfer title to the Federal Government or to an eligible third party, provided that the recipient or subrecipient be entitled to compensation for its attributable percentage of the current fair market value. See 2 CFR 200.313(e)(3).

Should the recipient or subrecipient fail to take appropriate disposition actions, the Federal agency or pass-through entity may direct the recipient or subrecipient to take disposition actions.

1.4.3 Retention of PWSCIF equipment

When included in the terms and conditions of the Federal award, the Federal agency may permit the recipient to retain equipment, or authorize a pass-through entity to permit the subrecipient to retain equipment, with no further obligation to the Federal Government unless prohibited by Federal statute or regulation. 2 CFR 200.313(f).

1.5 Timing Requirements

As is specified in each award's Specific Award conditions, within 30 calendar days of acquiring all or any portion of the equipment under this award, the recipient and subrecipient shall properly file a UCC-1 with the appropriate State office where the equipment will be located in accordance with the State's Uniform Commercial Code (UCC).

The UCC filing(s) must include language substantively similar to the text in Attachment A below, providing public notice of the Federal Interest in the Property and/or equipment acquired with PWSCIF funding, as well as Attachment C, Schedule A.

In addition, the recipient must account for any real or personal property acquired or improved with Federal funds as part of the award closeout procedures. See 2 CFR § 200.311; 200.313; 200.315; and 200.344, as applicable. The recipient or subrecipient shall execute and record all documentation necessary to maintain the Federal Interest for the useful life of the PWSCIF Property and/or equipment. If the PWSCIF grant award is amended to include additional or materially different PWSCIF Property or equipment, the recipient or subrecipient is required to file additional UCC-1 documentation regarding such PWSCIF Property and to amend any existing filings. New and/or amended UCC-1 documentation must be retained in the recipient's or subrecipient's grant files and provide to NTIA if requested as soon as reasonably possible following such new or amended filings.

A recipient or subrecipient must also timely file continuation statements for personal property for the duration of the Federal Interest under the terms of the award. In most states, the amended financing statement is referred to as a UCC-3 and may be used to reflect the continuation of the Federal Interest. The recipient or subrecipient should normally follow the same filing procedures for filing additional UCC-1 or UCC-3 forms as it did with the initial UCC-1, unless circumstances have substantially changed. The recipient or subrecipient should first consult with its counsel if it has any questions and then follow up with its assigned PWSCIF FPO if further guidance is needed. UCC-3 and other continuation statement forms must be retained in the recipient's grant files. Copies of all filed UCC-3 (or other filings) continuation statements, together with an Attorney's Certification, must be submitted to the Grants Officer within 15 calendar days following each such filing. The UCC filing(s), and the accompanying Attorney's Certification(s), must be acceptable in form and in substance to the NIST Grants Officer.

1.6 Attorney Certification

The recipient or subrecipient must obtain a certification from counsel, licensed by the state within which the filings were made, that the Covenant and/or UCC documentation, as applicable, has been properly executed and recorded or filed (as the case may be) in accordance with state law. A sample Attorney's Certification is attached to this guidance as Attachment D, which may be used for this purpose.

1.7 Federal Interest Documentation

The recipient or subrecipient must retain complete and certified copies of the filed UCC forms and the Attorney's Certification throughout the life of the award and must be able to provide the Grants Officer with copies of these documents within 15 days upon request. Upon such a request, the recipient or subrecipient should provide the Grants Office with: (1) a copy of the instruments reflecting the documentation of the Federal Interest, specifically the recorded Covenant(s) and/or the filed UCC documents with the recording or filing stamp and information clearly visible; and (2) the attorney certification(s) described above. The recipient or subrecipient should submit this documentation via email to ugam@nist.gov, with the award number and "Federal Interest" referenced in the subject line. The recipient or subrecipient must maintain in their grants files copies of the instruments reflecting the documentation of the Federal Interest, specifically the recorded Covenant(s) and/or the filed UCC documents with the recording or filing stamp and information clearly visible.

2.0 Additional Resources

For additional information pertaining to the Federal Interest requirement, please refer to the following resources:

- First Notice of Funding Opportunity, PWSCIF (April 12, 2023) available at: <https://www.ntia.gov/page/innovation-fund/grant-programs/NOFO1>
- Second Notice of Funding Opportunity, PWSICF (May 2024) available at: [pwsicf-nofo-2-amended.pdf](#)
- Third Notice of Funding Opportunity, PWSICF (January 2025) available at: [pwsicf-nofo-3-final_amended.pdf](#)
- [DOC Financial Assistance General Terms and Conditions as of 01 October 2024.pdf](#) (commerce.gov)
- Title 2, Part 200, Subpart D of the Code of Federal Regulations, Post Federal Award Requirements, available at: 2 CFR Part 200 Subpart D -- Post Federal Award Requirements
- [Public Wireless Supply Chain Innovation Fund](#) website (including the PWSCIF Useful Life Schedule), available at: <https://www.ntia.gov/page/innovation-fund>
- In re Joliet-Will County Community Action Agency, 847 F.2d 430 (7th Cir.1988)

Attachment A: Sample Language for the UCC filing(s)

The Equipment set forth at Attachment B hereto was acquired with funding under a financial assistance award (insert Award Number) issued by the National Institute of Standards and Technology, U.S. Department of Commerce.

As such, the U.S. Department of Commerce retains an undivided equitable reversionary interest (Federal Interest) in the Equipment for the estimated useful life thereof, [consult with program office for programmatic useful life of equipment] from when the equipment is placed into service on the project.

Attachment B: SAMPLE Covenant of Purpose, Use, and Ownership Form

Covenant of Purpose, Use, and Ownership

THIS COVENANT OF PURPOSE, USE, AND OWNERSHIP (hereinafter called “Covenant”) dated this ____ day of ____, by and between _____, whose address is _____ (hereinafter with its successors and assigns called “Recipient”); and the National Telecommunications and Information Administration, U.S Department of Commerce, whose address is 1401 Constitution Avenue, NW, Room 4887, Washington, DC 20230 (hereinafter with successors and assigns called “NTIA”).

RECITALS

WHEREAS, Recipient submitted an application to NTIA for financial assistance under the Public Wireless Supply Chain Innovation Fund (“PWSCIF”), pursuant to Section 9202(a)(1) of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, 134 Stat. 3388 (Jan. 1, 2021) (FY21 NDAA) and appropriated by Div. A., Section 106 of the CHIPS and Science Act of 2022, Pub. L. No. 117-167, 136 Stat. 1392 (Aug. 9, 2022) (hereinafter the “Act”); and WHEREAS, by Offer of Award, dated _____, NTIA offered to Recipient a financial assistance award designated as Award No. _____ (the “Award”) in the amount of \$_____ (hereinafter “Award Amount”) to assist in financing _____ (hereinafter called “Project”); and WHEREAS, to execute such project, Recipient has acquired or improved real property in whole or in part with funds made available through the Award [or applicable real property interest] described in Exhibit “A” attached hereto and incorporated herein (hereinafter with all improvements called the “Property”); and WHEREAS, on _____, Recipient accepted the Award by signing Form _____ (together with all documents attached thereto or incorporated therein, the “Award Agreement”) issued in connection with the Project and pertaining to the Award Number, thereby binding itself and making itself subject to the terms and conditions contained in the Award Agreement including, without limitation, the applicable requirements of Title 2, Part 200 of the Code of Federal Regulations (CFR), and the terms of Public Wireless Supply Chain Innovation Fund Notice of Funding Opportunity (April 12, 2023), as applicable; and WHEREAS, the Award Agreement provides the

purposes for which the Award Amount may be used and provides, inter alia, that Recipient holds title to the Property in trust for the public purposes of the Project, and may not sell, lease, transfer, convey, hypothecate, mortgage, or otherwise alienate any right to or interest in the Property, or use the Property for purposes other than, and different from, those purposes set forth in the Award Agreement and the application made by Recipient therefore (hereinafter called “Project Purposes”), such alienation and use being prohibited by Title 2, Part 200 of the CFR, as applicable, and the Award Agreement, without the prior written approval of the PWSCIF Grants Officer, or his/her designee or successor (hereinafter called “Grants Officer”); and WHEREAS, under the authority of the Act and the Award Agreement, Recipient may not use the Property for purposes other than Project Purposes and may not lease, sell, transfer, convey, mortgage, or hypothecate or otherwise alienate the Property to any party without prior written approval from the Grants Officer, unless NTIA is repaid its Federal Interest in the Property, as defined and more particularly described herein; and WHEREAS, Recipient, as owner of all or part of the Property, agreed to record this Covenant in the appropriate office for the recording of public records affecting real property in the jurisdiction where the Property is located so as to constitute notice to all persons of the restrictions contained herein on title and use of the Property for the benefit of the public purposes of the Project; and WHEREAS, the _____ located at _____

_____ is the proper office to record this Covenant:

NOW THEREFORE, in consideration of financial assistance rendered and/or to be rendered by NTIA and of other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and to assure that the benefits of the Project will accrue to the public and be used as intended by both NTIA and Recipient, Recipient hereby covenants and agrees as follows:

1. For purposes of this Covenant, the useful life of the Property shall be determined by NTIA in accordance with the PWSCIF Useful Life Schedule.

2. Recipient agrees that for the useful life of the Property, Recipient will not lease, sell, transfer, convey, hypothecate, mortgage, or otherwise alienate any interest in the Property, nor shall Recipient use the Property for purposes other than the Project Purposes without the prior written approval of the Grants Officer. However, such approval may be withheld until such time as the Recipient first pays to NTIA the Federal Interest (as hereinafter defined) in the Property as provided in Title 2, Part 200 of the CFR, as applicable. The Federal Interest is that percentage of the then current fair market value of the Property attributable to the NTIA participation in the Project (after deducting actual and reasonable selling and fix-up expenses, if any, incurred to put the property into condition for sale). The Federal Share excludes the value of the Property attributable to acquisition or improvements before or after NTIA’s participation in the Project and not included in Project costs. As of the date of this Covenant, it is hereby agreed that NTIA’s percentage participation in the Project is [this percentage is equal to the Federal share ratio under the PWSCIF award] (XX%) percent.

3. Recipient further covenants that in the event NTIA permits the Property to be used for purposes other than the Project Purposes, or if the Property is sold, leased, transferred, conveyed, hypothecated, mortgaged, or otherwise alienated, Recipient will compensate the Federal Government for the Federal Interest in the Property. Such Federal Interest shall be and is hereby made a charge and lien of the first priority against the Property until fully satisfied.

4. Recipient further agrees that, as a condition of accepting the disbursement of any portion of the Award Amount, Recipient shall provide NTIA with evidence that it has executed and placed on

record against the Property this Covenant and shall provide the Grants Officer with evidence of such recording. NTIA will in its sole discretion determine whether this Covenant is satisfactory and may require an opinion of counsel for the Recipient that: (i) the Covenant is valid and enforceable according to its terms; (ii) the Covenant has been properly recorded; and (iii) that there is no lien or encumbrance on or pertaining to the Property superior to the Covenant.

5. Recipient further agrees that whenever the Property is sold, leased, or otherwise conveyed, Recipient or the transferor shall add to the instrument of conveyance a covenant of purpose, use, and ownership. NTIA will, in its sole discretion, determine whether such covenant is satisfactory. In connection with any such transfer, NTIA may require an opinion of counsel for the Recipient or for the transferor that the covenant is valid and enforceable according to its terms and has been properly recorded.

6. It is stipulated and agreed that the terms hereof constitute a reasonable restraint on alienation of use, control, and possession of or title to the Property given the Federal Interest expressed herein.

7. This Covenant shall run with land.

8. This Covenant shall be construed in a manner consistent with the terms and conditions of the Award Agreement and applicable regulations; provided, however, that if there is a conflict, the terms and conditions of the Award Agreement shall control.

IN WITNESS WHEREOF, the Recipient has hereunto set their hand as of the day and year first above written by their duly authorized officer. A completed duly recorded copy of this Covenant shall be forwarded to NTIA. (The appropriate acknowledgement must be included for recording in Recipient's jurisdiction.)

Recipient:

By: _____

Title: _____

ATTEST:

By: _____

Title: _____

Exhibit A: Legal Description of Property

Exhibit B: PWSCIF Schedule of the Useful Life of the Property

Attachment C: UCC-1 Information and SAMPLE “Schedule A” Equipment List

Recipients and subrecipients should complete the UCC-1 using the following information:

Field	Description
Debtor	Enter the name and address of the recipient or subrecipient organization that will hold the property.
Secured Party	NTIA/PWSCIF Room 4887 U.S. Department of Commerce 1401 Constitution Avenue, NW Washington, DC 20230
Collateral	<ul style="list-style-type: none"> Enter the following text in the space to describe the collateral: “Certain equipment (the Equipment) acquired or improved, or to be acquired or improved, under NTIA/PWSCIF Grant Award # _____ by [Recipient/Subrecipient], including but not limited to the items identified in “Schedule A,” the project’s equipment list, which is attached hereto and incorporated herein by reference. Recipient/Subrecipient holds the Equipment in trust for the benefit of the NTIA Public Wireless Supply Chain Innovation Fund (PWSCIF). The Federal Government retains an undivided equitable reversionary interest in each item of the Equipment for the useful life thereof, as determined by NTIA in accordance with the PWSCIF Useful Life Schedule.” Attach to the UCC-1 a list of the personal property acquired or improved with PWSCIF grant funds in the format shown in Attachment C to this guidance. This list should agree with the approved equipment list for the project from the award document.
Signature	If a signature is required in the state where the document is to be filed, the document should be signed as the “Debtor” by an authorized

	representative of the recipient or subrecipient organization that will hold the property.
Filing	Once the UCC-1 is properly prepared, it should be filed in accordance with Article 9 of the state's Uniform Commercial Code, which may mean with the office of a Secretary of State or other filing agency in the state where the recipient or subrecipient is legally organized. A UCC-1 for personal property to be affixed to land should be filed with the lien records of the local jurisdiction where the land is located.

SAMPLE

Schedule A: Equipment List

Recipient Name

Recipient Address

NTIA/PWSCIF Award No. _____

Quantity	Description	Manufacturer and Model Number	Serial Numbers (s)	Unit Cost	Price	Tag Number	Date of Acquisition	Useful Life (Per PWSCIF Useful Life Schedule)
3	4 Port 10/100/1000 Switch	Cisco ME 3400G-2- CS-A	6500748 6500749 6500750	\$xxxx	\$xxxx	101 102 103	10/15/2022	10 years
List additional item(s) as necessary								

Attachment D – SAMPLE Attorney Certification of Recording

RE: Covenant of Purpose, Use and Ownership

NIST Grant Award No. _____

CERTIFICATION OF [Insert Name of Certifying Attorney/Law Firm]

Pursuant to 28 U.S.C. § 1746, I hereby certify as follows:

I am legal counsel at _____.

I am licensed to practice law in _____ having been a license holder of said jurisdiction(s) and in good standing since _____.

Attached hereto is a certified copy of the UCC-1 document reflecting that this document was filed in the _____ on _____, 2024, bearing the recording data evidencing that this document is recorded as (Insert recording data) and consists of ____ recorded pages as indicated on the Certification Certificate attached to this document.

I certify that this UCC-1 has been validly executed and properly recorded in the above noted _____.

I certify under the penalty of perjury that the foregoing is true and correct.

Executed on this ____ day of _____.

(Attorney name and title)

(Address and phone number)

Attachment E – FACT SHEET: Useful Life Schedule

FACT SHEET: Useful Life Schedule

For the Public Wireless Supply Chain Innovation Fund Grant Program

National Telecommunications & Information Administration (NTIA)

Overview

In accordance with [2 C.F.R. § 200.316](#) (Property trust relationship), real property, equipment, and intangible property, that are acquired or improved with a Federal award must be held in trust by the recipient or subrecipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved. This trust relationship exists throughout the duration of the property's estimated useful life, as determined by the Grants Officer in consultation with the Program Office, during which time the Federal Government retains an undivided, equitable reversionary interest in the property.

Please refer to the Notices of Funding Opportunities (NOFOs) for program-specific guidance on allowable activities and expenditures. This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements. In all cases, statutory and regulatory mandates, and the requirements set forth in the NOFOs, shall prevail over any inconsistencies contained in this document.

Asset Category	Types of Assets	Estimated Useful Life
Buildings	▪ Construction of new buildings, prefabricated buildings, or concrete pads	▪ 20 years
	▪ Modification, rehabilitation, or outfitting of existing buildings	▪ 15 years
Outside Plant	▪ <i>Active:</i> Powered equipment, such as amplifiers, NIDs, etc.	▪ 10 years
	▪ <i>Passive:</i> Unpowered equipment, including aerial coaxial plant, aerial copper plant, aerial fiber plant, buried copper plant, buried coaxial plant, buried fiber plant, underground plant, taps, drops	▪ 20 years
Towers and Poles	▪ Construction of new towers or poles or modifications of existing towers or poles	▪ 20 years

Asset Category	Types of Assets	Estimated Useful Life
Network and Access Equipment	▪ Emergency power generation equipment at tower site	▪ 10 years
	▪ Broadband switching equipment, broadband routing equipment, broadband transport equipment, network broadband access equipment (e.g., CMTSSs, DSLAMs, Radio Network Controllers, etc.) wireless base stations, antennas, emergency power supply equipment	▪ 7 years
Operating Equipment	▪ Billing/Operations systems	▪ 10 years
	▪ Office furniture and fixtures	▪ 7 years
	▪ Work equipment and vehicles	▪ 5 years for non-construction related motor vehicles; ▪ 10 years for work-related motor vehicles
Customer Premises Equipment	▪ Customer broadband access equipment (e.g., cable modems, wireless modems, routers, etc.),	▪ 3 years
Automatic Data Processing Equipment and Supplies	▪ Laptop computer and tablets	▪ 3 years
	▪ Desktop computer and monitors	▪ 3 years
	▪ Computer peripheral equipment	▪ 3 years
	▪ Digital Duplicator, Printer, Scanner, and Multi-Function Device (Fax/Printer/Scanner)	▪ 5 years

References

- OMB Uniform Guidance, Federal Property Standards, 2 C.F.R. §§ 200.310 – 200.316
- Department of Commerce Federal Financial Assistance Manual, (01 October 2024)
- Department of Commerce General Terms and Conditions, October 01, 2024
- [Internal Revenue Service, Internal Revenue Manual Part One, Organization, Finance, and Management, Chapter 35, Financial Accounting, Section 6, Property and Equipment Accounting](#), June 2024
- Internal Revenue Service, Publication 946, How to Depreciate Property, 2023

- [ASA – Machinery & Technical Specialties Committee, Normal Useful Life Study, 2024](#)
- Service Network, Know When It's Time to Replace Enterprise Network Equipment, 2016
- Federal Form SF-428, [Tangible Personal Property Reports](#)

