

Annual Micro and Simplified Acquisition Decision Procedure

Annually, the Supervisory Union/School District (SU/SD) as the “non-federal entity” must determine its threshold for both micro-purchases and Simplified Acquisitions. These determinations must be based on criteria set by the Federal regulations and must be documented. The SU/SD must document its determination on an annual basis, even if the SU/SD determines to stay at the currently established thresholds and does not change the SU/SD’s annual thresholds.

The micro-purchase threshold may be increased up to a limit of \$ 50,000. Federal regulations list the bases of that determination as being internal controls, evaluation of risk, and documented procurement procedures. Additionally, the threshold must be authorized or not prohibited under state, local or tribal laws or regulations. It is possible to increase this threshold beyond \$ 50,000 but approval by the VT Agency of Education (AOE) as the “cognizant agency for indirect costs” is required.

The Simplified Acquisition threshold may be set at a level below the threshold set in the Federal Acquisition Regulations (FAR), currently \$ 250,000. Federal regulations list the bases of that determination as being internal controls, evaluation of risk, and documented procurement procedures.

These thresholds apply SU/SD-wide to all types of purchases from all Federal sources. The VT state bid law for certain purchases above \$40,000 applies to federal purchases and the SU/SD or supervisory union should take that into consideration when determining these thresholds. It is possible in some circumstances that a micro-purchase procurement threshold over \$40,000 may cause an inconsistency between Federal procurement regulations and VT law. As a result, SU/SD’s may want to consider \$40,000 as the maximum micro-purchase threshold.

Print the information below on your SU/SD letterhead and retain with your other Federal grants management documents. Please note, the below documentation form works if you are establishing a micro-purchase threshold \$50,000 or less. To establish a micro-purchase threshold greater than \$50,000, consult the AOE.

Annual Federal Procurement Threshold Self-Certification

For the period of July 1, _____ through June 30, _____.

The micro-purchase threshold is set at \$_____.

The Simplified Acquisition threshold is set at \$_____.

For purchases using the Simplified Acquisition method an adequate number of quotes is _____ (insert number for your district).

The above thresholds are based on an analysis of internal controls, an evaluation of risk, and our documented procurement procedures.

Business Manager Signature

Date:

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Applicable Federal regulations are as follows:

Micro-purchase: 2 CFR 200.320(a)(1)(iii)-(v)

(iii) Micro-purchase thresholds. The non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations. Non-Federal entities may establish a threshold higher than the Federal threshold established in the Federal Acquisition Regulations (FAR) in accordance with paragraphs (a)(1)(iv) and (v) of this section.

(iv) Non-Federal entity increase to the micro-purchase threshold up to \$50,000. Non-Federal entities may establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. The non-Federal entity may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the Federal awarding agency and auditors in accordance with §200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

(A) A qualification as a low-risk auditee, in accordance with the criteria in §200.520 for the most recent audit;

(B) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or,

(C) For public institutions, a higher threshold consistent with State law.

(v) Non-Federal entity increase to the micro-purchase threshold over \$50,000. Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. The non-federal entity must submit a request with the requirements included in paragraph (a)(1)(iv) of this section. The increased threshold is valid until there is a change in status in which the justification was approved.

Simplified Acquisition 2 CFR 200.320(a)(2)(ii)

(ii) Simplified acquisition thresholds. The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.