

**University of Louisville and University of Louisville Research Foundation
Self-certification of a Micro-purchase Threshold Higher than the Micro-purchase
Threshold Established in the Federal Acquisition Regulations**

Effective Date: September 1, 2021

Annual Self-Certification Date: July 7, 2023 (FY2024)

The Uniform Guidance (2 CFR 200) requires the University of Louisville (UofL) and the University of Louisville Research Foundation (referred to herein as “university”) to have and use documented procurement procedures, consistent with the standards of 2 CFR §§200.317, 200.318, 200.319 and 200.320 for the acquisition of property, supplies, or services required under Federal awards (or sub-awards). Per 2 CFR §200.320 (a), the university, as a non-Federal entity, may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost.

Under §200.320, the university is responsible for determining and documenting an appropriate micro-purchase threshold¹ based on internal controls, an evaluation of risk, and its documented procurement procedures. The university may establish (self-certify) a micro-purchase threshold higher than the micro-purchase threshold established in the Federal Acquisition Regulations (FAR), up to \$50,000, in accordance with the documentation requirements of §200.320. The university’s self-certification must include a justification, clear identification of the micro-purchase 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.

The purpose of this memo is to document the university’s self-certification process in accordance with §200.320 (a) (1) (iv) and its election to rely upon the procurement threshold requirements under Kentucky (State) law when acquiring property, supplies, and services under Federal awards as allowable under item (C) above.

I. Justification:

The University of Louisville is a public institution of higher education and a State institution of the Commonwealth of Kentucky (State) (KRS 164.810) and as such is subject to State procurement requirements promulgated under the Kentucky Model Procurement Code, Kentucky Revised Statutes Chapter 45A. Kentucky State law does not include or define a micro-purchase threshold for State institutions of higher education, but rather, implements a threshold of up to \$40,000, above which formal procurement methods/competitive sealed bidding is required (see KRS 45A.100 and KRS 45A.080).

II. Clear Identification of the Micro-purchase Threshold

Based upon the State procurement requirements outlined above, UofL and its affiliated nonprofit corporation, the University of Louisville Research Foundation, elect to align the micro-purchase threshold with the State procurement threshold of \$40,000. Purchases under this elected micro-purchase threshold may be awarded without soliciting competitive price or rate quotations if the university considers the price to be reasonable based on research, experience, purchase history, or other information and documents it files accordingly.

Additionally, the university will utilize the State threshold of \$40,000 as the simplified acquisition threshold (SAT) for the acquisition of property, supplies, or services required under Federal awards (or sub-awards). This elected SAT is lower than the SAT established in the FAR, and is authorized under Kentucky (State) law. When the value of a procurement for property or services under a Federal award exceeds the elected SAT, the university will utilize formal procurement methods as required by 2 CFR 200, Kentucky (State) law, and university procurement policy.

III. Supporting Documentation of the University's Election to use a Higher Threshold Consistent with State Law

See KRS 45A.100 and KRS 45A.080

¹ *Micro-purchase threshold* means the dollar amount at or below which a non-Federal entity may purchase property or services using micro-purchase procedures (see §200.320).

By: 

Name: Sally J. Molsberger
Title: Chief Procurement Officer
Date: 7/7/2023

By: 

Name: Kevyn E. Merten, PhD.
Title: Associate Vice President for Research and Innovation
Date: 7/7/2023