

**Title:** Federal Funds Procurement, Purchasing and Expenditures

**Reference:** 05-044

**Replaces:**

**Initial Action:**

Board Resolution: 9/29/05, 23-027e

Last Revised:

Policy: 03/10/2023

Procedure: 03/10/2023

Last Reviewed: 03/10/2023

Effective: 03/10/2023

Next Review: 03/10/2024

Responsibility: Finance

**Policy:**

Purchasing, procurement and expenditures made with Federal Funds will comply with all applicable Cecil College policies and procedures including, but not limited to, Procurement Authority, the Purchasing Policy, Bid and Quotation Limits, Sole Source Procurement Contracts, Vendor Payments, Conflict of Interest and Ethical Disclosure and the Control of College Property Policy. In addition, purchasing, procurement and expenditures made with Federal Funds will conform to all applicable federal law and regulations (including but not limited to 45 CFR Part 74 and 2 CFR Parts 200.318 through 200.326) and standards identified in Office of Management & Budget (OMB) Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments), Circular A-110 (Grants & Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations), OMB Circular A-122 (Cost Principles for Non-Profit Organizations) (if applicable), Federal awarding agency regulations and the terms of the award.

**Procedure:**

1. The grant manager will review all procurement and expenditures to determine if the purchase is necessary, appropriate, and if it is within the grant budget. The grant manager will also review the permissibility, allocability and reasonableness. Whenever practical, purchases will be made from vendors self-identified as Minority Business Enterprises (MBE) assuming reasonable quality and price competitiveness.
2. The grant manager will review all procurement and expenditures to ensure that they:
  - a. Meet the general procurement standards in 2 CFR section 200.318.
  - b. Conduct all procurement transactions in a manner providing full and open competition, in accordance with 2 CFR section 200.319.
  - c. Use the micro-purchase and small purchase methods only for procurements that meet the applicable criteria under 2 CFR sections 200.320(a) and (b).

- d. Ensure that for acquisitions exceeding the simplified acquisition threshold, the College has used one of the following procurement methods: the sealed bid method if the acquisition meets the criteria in 2 CFR section 200.320(c); the competitive proposals method under the conditions specified in 2 CFR section 200.320(d); or the noncompetitive proposals method but only when one or more of four circumstances are met, in accordance with 2 CFR section 200.320(f).
  - e. Perform a cost or price analysis in connection with every procurement action in excess of the simplified acquisition threshold, include contract modifications (2 CFR section 200.323(a)). The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used (2 CFR section 200.323(d)).
  - f. Ensure that every purchase order or other contract includes applicable provisions required by 2 CFR section 200.326.
3. Once approved, the grant manager will forward paperwork to the next level of review and approval as per College Policy and Procedure.
  4. All purchases will also be reviewed by the Purchasing Office and the Controller.

Attachments: OMB Circular A-87, Attachment A – General Principles for Determining Allowable Costs, and Attachment B – Selected Items of Cost  
OMB Circular A-110, Procurement Standards  
OMB Circular A-122, Selected Items of Cost  
2 CFR sections 200.318 through 200.326