

# MICHIGAN STATE UNIVERSITY

January 31, 2022

To: DHHS Financial Management Cost Allocation Services  
Cognizant Agency for MSU Facilities and Administrative Rate  
[CAS-Dallas@psc.hhs.gov](mailto:CAS-Dallas@psc.hhs.gov)

From: Evonne Pedawi, Director  
Contract and Grant Administration, Michigan State University  
[pedawi@cga.msu.edu](mailto:pedawi@cga.msu.edu)

RE: Michigan State University Establishment of \$25,000 Micro-purchase Threshold

Dear DHHS-CAS,

In accordance with 2 CFR 200.320, Michigan State University (MSU) is providing notification that the university will increase its micro-purchase threshold to \$25,000 for federally funded procurements effective February 1, 2022. MSU's current micro-purchase threshold for federally funded procurements is \$10,000, however MSU's Request for Quotation process begins at \$25,000 for all other university procurements. The federal micro-purchase threshold increase will create consistency with procurements across the university and reduce administrative burden. A current subset of Section 270.7.2 of MSU's Manual of Business Procedures is below for reference.



<https://upl.msu.edu/mbp/mbp-270/index.html>

#### 270.7.2 COMPETITIVE SOLICITATION PROCESS

A. In order for bids to be valid, competitive solicitations must be performed with Procurement staff involvement before any communication to suppliers on the potential bidding opportunity.

B. A Request for Quotation (RFQ) process is required for acquisitions that are equal to or greater than \$25,000 (but may also be used for purchases under \$25,000, such as for federal programs with lower limit of \$10,000) when the goods or services required can be clearly defined. These are typically used for commodity purchases with defined items and estimated quantities and for well-defined service requirements or equipment purchases.

## OFFICE OF CONTRACT AND GRANT ADMINISTRATION

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To comply with the federal guidance for increasing the micro-purchase threshold set in 2 CFR 200.320 (a)(1)(iv) (below for reference), MSU is self-certifying a micro-purchase threshold of \$25,000 and will annually self-certify, beginning in July 2022. In addition, MSU will continue to comply with the documentation retention requirements in 2 CFR 200.334. MSU's most current Single Audit report (<https://ctrl.msu.edu/download/fa/financialstatements/SingleAudit20192020.pdf>), includes the qualification of MSU as a low-risk auditee on Page 42.

[https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.320#p-200.320\(a\)\(1\)\(iv\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.320#p-200.320(a)(1)(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.

With the information provided in this notification, MSU believes that it has met the necessary requirements to establish a \$25,000 micro-purchase threshold effective February 1, 2022. Please contact me with any questions.

Best Regards,

Evonne Pedawi

MSU is an affirmative-action,  
Equal-opportunity employer

cc Jim Nolan, Federal Costing Concepts  
Kristine Smith, Assistant Director, Contract and Grant Administration, MSU