



Federal Uniform Guidance Updates



Uniform Guidance Overview

Federal Uniform Guidance 200.318 becomes effective
July 1, 2018

The following topics reflect updates within higher education
and other recipients of federally sponsored funding:

1. Ethics and Conflicts of Interest
2. Travel and Use of Preferred Providers
3. Additional Compliance Required for Specific Purchasing Scenarios
4. Key Points To Determine Subrecipient vs Contractor
5. General Purchasing Tips

Applicable Cost Objects

As of July 1, 2018, Uniform Guidance guidelines apply to any Federal or State Grant at the University (or for any purchases that may ever be transferred to a grant).

How to tell applicable cost objects:

- All WBS Elements with a number prefix of: 304, 320, 321, 235, etc.
 - Example: 3049025938
- Uniform Guidance requirements are not applicable to purchases against standard University cost centers, e.g., number prefix of 101, 103, 121, etc.
 - Example: 1013167620

Conduct, Ethics and Conflicts of Interest

✓ The University's current Standards of Conduct relating to Ethics and Conflicts of Interest for employees comply with Uniform Guidance requirements.

Compliance with the University's Ethics Standards automatically fulfills requirements of Uniform Guidance.

Standards and related information are available on the Office of Legal Counsel's website at:

<https://www.uky.edu/legal/ethics-and-compliance>

Uniform Guidance and Travel Policies

✓ University Travel program as currently structured complies with Uniform Guidance requirements.

Requirement for use of Preferred Travel providers remains in effect. Compliance with the University's Preferred Travel providers automatically fulfills requirements of Uniform Guidance.

Information is available on the Travel Services website at:
<https://www.uky.edu/ufs/travel-services>

Methods To Buy

In general, there are three methods for purchase of vendor provided goods and services:

1. Procurement Card
2. Purchase Order
3. Payment Request Document (PRD)

With some exceptions/special processes, methods generally correlate with the concept of “Delegated Authority”

Method	Authority
Purchase Order	Non-Delegated
Procurement Card	Delegated
Payment Request Document	Delegated

1. Procurement Card Purchases

✓ Uniform Guidance represents no change to the University's existing approach for procurement card purchases

Key reminders of current program:

- Thresholds are limited to \$5,000 per transaction
- Contract adherence where applicable
- Transaction splitting not permitted by department or supplier

Refresher: Procurement Card

In general, procurement card is used for the following types of purchases:

- Orders with total value \leq \$5000
- Small/minor equipment
- Typically general goods for operational needs
- In general, agreements with extended terms and conditions (i.e., fine print) are not permitted

TIP: Cardholder policies and related information available on UFS website:

<http://www.uky.edu/ufs/procurement-card>

2. Refresher: Purchase Orders

Purchase Orders are required for the following types of purchases:

(**TIP**: Purchase orders trigger from Shopping Carts or Hospital Requisitions)

- Orders from e-procurement suppliers (VWR, Fisher, Dell, etc.)
- Orders with value > \$5000
- Capital equipment
- Agreements with extended terms and conditions (i.e., fine print)
- Purchases where the supplier does not accept procurement card

2a. Purchase Orders Between > \$5K & < \$40K

- Primary change in purchases for this sector for goods and services that are not on a University contract
 - Three supplier quotes should be obtained to show competitive sourcing; order must be made to the supplier providing the best value.
 - The department may obtain the three quotes and attach to the Shopping Cart/Requisition or the Purchasing Contracting Officer may obtain the three quotes.
 - ✓ Reminder: Purchases may not be conducted with the competing quotes obtained afterwards
 - ✓ Purchases against University contracts, including SRM e-catalogs, automatically fulfill the requirement. Additional quotes are not required.

2b. Purchase Orders Requiring Formal Competition

- ✓ Uniform Guidance represents no change to the University's existing approach for purchases requiring formal competition
- For purchases of general goods and services = >\$40,000, Purchasing conducts a formal solicitation process
- This could be an Invitation for Bids (sealed bidding) or Request for Proposal (competitive negotiation)
- If items or services are on an existing University contract, additional formal action is not required.

The University's (i.e., Kentucky's) competitive solicitation processes automatically comply with Uniform Guidance requirements

Personal Services Contracts

Note: The state competitive threshold for Personal Services Contracts is lower (\$10,000) than that for standard goods

The state Legislative Contracts Committee reserves authority over all purchases of “Personal Services”. Examples:

- Attorneys
- Engineers/Architects
- Consulting Services / Executive Search Firms
- Web Design
- Graphic Design

🚩 For Kentucky Personal Services, three quotes should be obtained if purchase between \$5K and \$10K. (This will not be common.)

Independent Contractors

IRS regulates how business entities may engage Independent Contractors (a.k.a., freelance or private individuals). Require Scope of Work form and approval by HR Compensation.

- Interpreters
- Writers / Proofreaders
- Entertainers
- Any provider working under their personal SSN as TaxID

🚩 For Independent Contractors between \$5,000 and \$40,000, three quotes should be obtained to meet UG requirements.

Information is available in the Business Procedures Manual:

<http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/E-7-3.pdf>

2c. Purchase Orders - Single/Sole Source

- For Single/Sole Source purchases, threshold for usage is lowered to \$5000 from \$40,000
- Single/Sole Source indicates the goods/services are proprietary in nature, typically for scientific/technical reasons
- Rationale: If truly only available from one source, multiple quotes (competition) is not possible
- Must be fully documented as to why only available from one source; signed by Requester and Dean/Director
- Purchasing vets/validates request; requires signature of Contracting Officer and Purchasing Director or designee

Single/Sole Source form is located on the UK Forms website

<http://www.uky.edu/eForms/>

3. Payment Request Document (PRD)

Payment Request Document (PRD) is typically used for payments that may require limited Purchasing involvement or utilize discretionary funds. Examples:

- Utilities
- Accreditation/Government Fees
- Licenses, Membership Dues
- Hotel or Catering Events

■ Although not frequent, if a PRD purchase is needed between \$5,000 and \$40,000 that is not on a contract, three quotes should be obtained to meet UG requirements. A Single/Sole Source might alternatively be applicable.

Note: The PRD program is managed by University Financial Services - Accounts Payable

Visual Summary

	<=\$5,000	\$10,000	=>\$40,000	Notes
All Methods if on existing Contract or e-catalog, any dollar value	Green	Green	Green	
1. Procurement Card	Green	Pattern	Pattern	No change from current
2a. PO >\$5K <\$40K not on contract	Green	Yellow	Pattern	Contract or e-catalog purchases automatically comply
2b. PO Formal Competition (=>\$40K)	Pattern	Pattern	Orange	No change from current; Purchasing conducts the process > \$40K
2c. PO Single/Sole Source	Pattern	Yellow	Orange	Threshold for a Single/Sole Source is now eligible at \$5000
Personal Services	Pattern	Yellow	Orange	Purchasing conducts the process > \$10K; PSC form still required
Independent Contractors	Green	Yellow	Orange	Purchasing conducts the process > \$40K
3. Payment Request Document	Green	Yellow	Orange	Purchasing conducts the process > \$40K

Green > Automatically Compliant

Yellow > *Represents Change

Orange > Purchasing Conducts Formal Solicitation (No change from current)

Contract Purchases

Per the Business Procedures Manual, purchases should be made from University contracts when they exist:

- Compliance with Model Procurement Code and University requirements
- Use of contracted suppliers automatically fulfills Uniform Guidance requirements
- Competitively Bid
- Risk-managed (warranties, insurance on file, etc.)
- Some procurement contracts are required by statute and/or have exclusivity clauses

Sample University Contracts

The University has 700+ procurement contracts. Examples:

Agilent Technologies

B & H Photo

B & Microscopes

Baker Company

Beckman Coulter

Bio-Rad

CDW-G

Central Screen Printing

Consulting Contracts (40+)

Cornett Advertising

Dell (Strategic Partner)

Fisher Scientific

Full-Service Printers

Grainger

IDEXX Distribution

Jackson Laboratory

Nikon

Office Depot

Perkin Elmer

Promega

Qiagen

Reynolds Farm Equipment

Ricoh (Strategic Partner)

Roche Diagnostics

Scott-Gross

Sigma-Aldrich

Taconic Biosciences

VWR (Strategic Partner)

W. Nuhsbaum

Waters Technologies

Full listing of University contracts is available on Purchasing website: <http://www.uky.edu/Purchasing/>

Key Points - Determine Subrecipient vs Contractor

SUBRECIPIENT

Description: A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient.

- The entity is responsible to adhere to applicable Federal compliance and audit requirements.
- The entity determines who is eligible to receive what Federal assistance.
- The entity's Principal Investigator has responsibility for programmatic decision making, is an integral part of the scope of work and has its performance measured in relation to whether objectives of Federal program were met.
- The entity's Principal Investigator will be an author on a publication.
- The entity will retain ownership rights in potentially patentable or copyrightable technology or products that it produces in the course of fulfilling its scope of work.

Key Points - Determine Subrecipient vs Contractor

VENDOR/CONTRACTOR

Description: A contract is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor.

- The entity provides similar goods and services to many different purchasers within normal business operations.
- The entity operates in a competitive environment.
- The entity provides goods or services that are ancillary to the proposed project.
- The entity is not subject to compliance requirements of the Federally-funded project and can have profit in their budget.
- The entity is not responsible for the results of the research project.
- The performs work on UK's behalf, and the University retains ownership of the product.
- The entity does not possess ownership of intellectual property created during the research project.
- The entity does not produce publications related to the research project.

Sample Email To PI For Sub-Agreement Request Form

Dear Dr. <PI Name>,

Account <10 digit account number> has been created and contains the GL codes for a subaward. Please submit an On-Line Subagreement request using the On-Line system at the link below:

OSPA On-Line Subagreement Request System - <https://ris.uky.edu/ospa/subagreement/>

Guidance - <https://www.research2.uky.edu/uploads/online-subagreement-request-guidance>

Please contact your College Grant Officer for processing assistance and/or questions.

One feature of the On-Line Request is that anyone from your office can enter the data, save it, and retrieve the request to modify or update it at any time, prior to the request being submitted to OSPA. The Principal Investigator reviews the On-Line requests for accuracy. The PI is the **ONLY** one able to “Submit” the request to OSPA which provides us the necessary “electronic signature” needed to create the subagreement.

Subaward Administrator Contacts:

*Rita Booth, CRA
Senior Subaward Administrator
Office of Sponsored Projects Administration
109 Kinkead Hall
Phone: (859) 257-9420
rbooth@uky.edu*

*Courtney Chafin, MPA
Subaward Administrator
Office of Sponsored Projects Administration
213 Kinkead Hall
Phone: (859) 257-9420
c.chafin@uky.edu*

Additional Reference: Identify Purchase Method

Purchasing maintains the “Purchasing/AP Quick Reference Guide” on its website. The guide lists general categories of purchased goods and services along with the correct method and applicable notes.

	<i>Standard Procurement Card Purchases less than \$5,000 (Preferred Method if Not E-Catalog Supplier)</i>	<i>SRM Shopping Cart / ECC Requisition through Purchasing</i>	<i>Payment Request Document (PRD)</i>	<i>Payroll</i>	<i>Student Payment Voucher (SPV)</i>	<i>Travel Voucher/ TRIP</i>	<i>Comments</i>
Dry Cleaning and Laundry Services	X	X					
Dues for Memberships	X		X				Refer to BPM - B-3-2-2 and E-7-10
Duplicating Services	X	X					Use Ricoh on-campus Document Service Centers. Visit http://www.uky.edu/ukricoh/ for more information.
Editing publications or articles			X				Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Entertainment			X				Includes actors, musicians, bands, disc jockeys, etc. Follow Independent Contractor process outlined at: http://www.uky.edu/EVPFA/Controller/files/BPM/E-7-3.pdf
Equipment Leases/Rental		X					Purchasing must review and sign any written agreement.
Equipment, Repairs, and Service involving no signed contract or no maintenance agreement	X	X					If signature required, must be on a Shopping Cart / Requisition
Examination Fees	X	X					
Exhibit Space for Conventions, Conferences, Trade Shows/Meeting space/room	X	X					If agreement required, must be on a Shopping Cart / Requisition
Exhibit Fees	X	X					If agreement required, must be on a Shopping Cart / Requisition
Express Mail Services (i.e., FedEx, UPS, DHL)	X						
Flowers			X				Refer to BPM - B-3-2-2 and the Discretionary Expenditure Policy E-7-10

<http://www.uky.edu/Purchasing/docs/quickrefguide.pdf>

Refresher: Capital Equipment

Capital Equipment is any single item with cost > \$5000

- Purchase through Purchase Order (Shopping Cart/Hospital Requisition)
- Requires Capital GL (55XXXX) for purchase
- Items automatically transfer to Plant Assets Inventory post-receipt

Refresher: Supplier Provided Terms and Conditions

Many supplier quotes and agreements contain their terms and conditions (a.k.a., fine print)

- 100% binding if agreed to or purchase made
- Can contain dangerous legal requirements
- Some clauses are illegal per Kentucky law
- Signatory can be held personally liable

11.6 Waiver. No failure or delay by either party in exercising any right, power, or remedy under this Agreement, except as specifically provided herein, shall operate as a waiver of any such right, power or remedy.

11.7 Choice of Law. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the parties irrevocably agree to the exclusive jurisdiction of the courts of the Province of British Columbia with respect to any dispute or claim arising out of or in connection with this Agreement.

11.8 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, such provision shall be changed and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law and the remaining provisions of this Agreement shall remain in full force and effect.

11.9 Force Majeure. Party shall not be deemed to be in breach of this Agreement for any failure or delay in performance caused by reasons beyond its reasonable control, including but not limited to acts of God, earthquakes, wars, terrorism, communication failures, strikes (other than strikes at such party's facility or involving such party). If either party's performance is prevented by a force majeure event for a period of more than thirty (30) calendar days, the other party may terminate this Agreement without further obligation or liability, subject to any payment amounts due and payable immediately prior to the commencement of such force majeure event.

Refresher: Signature Authority

Per University Legal Counsel and Business Procedures, any agreement with terms and conditions (fine print) or requiring signature must be reviewed by Legal or Purchasing. Only Purchasing or EVPFA can sign on behalf of the University.

Any agreement can be emailed for review and signature UKPurchasing@uky.edu

B. PURCHASING DIVISION

B-3-1

Use of Existing Contracts

Use of Existing Contracts

University departments and administrators do not have authority to sign contracts that obligate the University for goods and services. Vendors requiring a document to be signed in response to any departmental delegated purchase must forward all associated documents to the Purchasing Division for review and appropriate disposition. The Purchasing Division will insure any required document is in accordance with procurement statutes and university policy and will secure the appropriate university signatures. After signatures are obtained, the vendor agreement and associated documents will be returned to the requesting department for transmission to the vendor. Address any questions about dealing with vendor's contract terms to authorized representatives of the Purchasing Division.

Amazon Purchases

As a unique online retail entity, Amazon purchases present challenges to higher education institutions

- Compliance issues - no contract
- Sales tax charges
- Apples-to-apples comparisons
- Warranty and third-party transaction issues
- Intermingling of personal and workplace transactions

Generally approved items included books and most media

🚩 Red flags: Items that conflict with University contracts, particularly those involving exclusivity

Recent Organizational Additions

Supplier Diversity: Manages and advocates on behalf of diverse suppliers doing business with the University

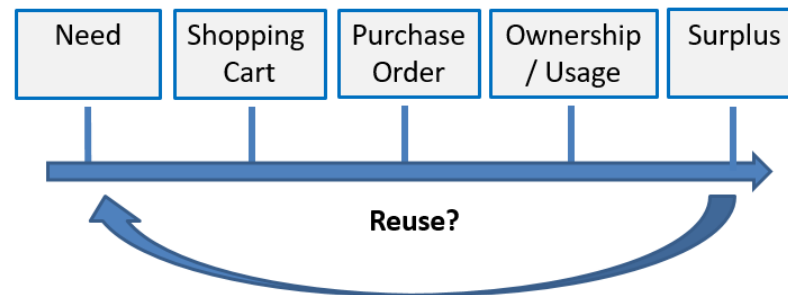
- Minority, Women, Disabled, Veteran and Disabled Veteran Owned Businesses. Also includes non-profit work centers for the blind and severely disabled.
- Connects diverse suppliers with University needs
- Inclusivity, Education, Training, Resource Provision, Participation Encouragement

POC: George Brown, gbrown@uky.edu

Website: <http://www.uky.edu/supplierdiversity/>

Recent Organizational Additions

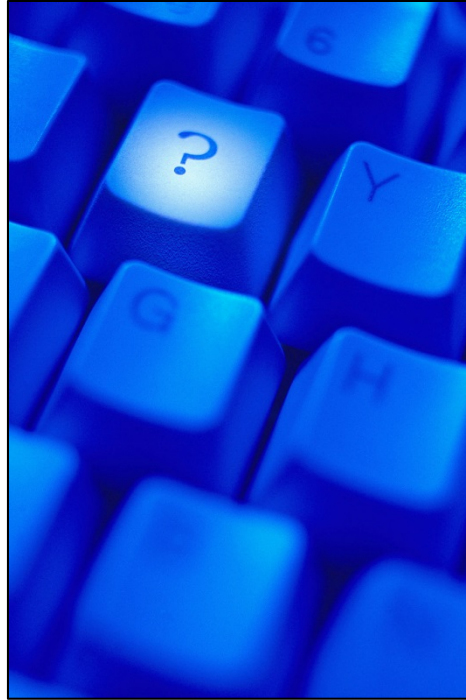
University Surplus: Responsible for managing disposal of all property deemed surplus to the University's needs. Inclusion with Purchasing provides for better life cycle management, re-use of University assets, and greater exposure.



University departments can review/check out items for their needs each Tuesday, Wednesday and Friday 8:00 to 4:00 (Scott St./Broadway) – Closed for lunch 11:30 – 12:30

POC: Nathan Maiwald, nathan.maiwald@uky.edu

Website: <http://www.uky.edu/Purchasing/>



Questions?