

RAIN-2018-G04

Micro-Purchase and Simplified Acquisition Threshold for Procurements by EPA Assistance Agreement Recipients and Subrecipients

Notification Date: September 7, 2018

Related Resources:

[Office of Management and Budget Memorandum M-18-18 dated June 20, 2018, "Implementing Statutory Changes to the Micro-Purchase and Simplified Acquisition Thresholds for Financial Assistance" \(M-18-18\).](#)

[Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements—Revision 1 \(Procurement Best Practices Guide\).](#)

Purpose: This Recipient/Applicant Information Notice (RAIN) informs recipients and applicants that the general Micro-Purchase threshold for EPA assistance agreements has been increased from \$3500 to \$10,000 and that the Simplified Acquisition Threshold has been increased from \$150,000 to \$250,000.

Summary: As directed in Office of Management and Budget (OMB) Memorandum M-18-18 dated June 20, 2018 (Memorandum M-18-18), EPA has adopted a policy which provides that the [2 CFR 200.67 Micro-Purchase Threshold](#) for procurements by EPA financial assistance recipients and their subrecipients is \$10,000 and the [2 CFR 200.88 Simplified Acquisition Threshold](#) is \$250,000. EPA has revised the agency's [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#) to establish EPA's policy on the increased thresholds for micro-purchases and simplified acquisitions.

EPA's policy recognizes that some institutions of higher education, their related or affiliated non-profit entities, non-profit research organizations or research institutes may have micro-purchase thresholds higher than \$10,000 with the approval of their cognizant agency for indirect cost rate negotiation. Other requirements for micro-purchases and simplified acquisitions in the [2 CFR Part 200 Procurement Standards](#) remain in effect.

Background: The Fiscal Year 2017 and Fiscal Year 2018 National Defense Authorization Acts (NDAA) made statutory changes to the Micro-Purchase Threshold and Simplified Acquisition Threshold for federal financial assistance agreements. The NDAA for Fiscal Year 2017 provided that the Micro-Purchase Threshold for institutions of higher education, their related or affiliated non-profit entities, non-profit research organizations or research institutes (Affected Recipients) would be \$10,000. Additionally, the Fiscal Year 2017 NDAA established an interim uniform process for Affected Recipients to request approval from federal agencies to use a higher Micro-Purchase Threshold. The Fiscal Year 2018 NDAA provided that the Micro-Purchase Threshold for all types of recipients would be \$10,000 and that the Simplified Acquisition Threshold would be \$250,000.

OMB implemented the above described statutory changes in [Memorandum M-18-18](#). OMB made class exceptions to the requirements at [2 CFR 200.67](#) and [2 CFR 200.88](#) that adjustments to the Micro-Purchase Threshold and Simplified Acquisition Threshold be made through revisions to the definitions of these terms in [48 CFR Subpart 2.1 of the Federal Acquisition Regulation](#). Memorandum M-18-18 directs agencies to reflect the above described changes to the thresholds in policy or terms and conditions.

Further, OMB determined that Affected Recipients the process for Affected Recipients to obtain approval for Micro-Purchase Thresholds in excess of \$10,000 would be implemented by [cognizant agencies for indirect costs](#).

Note that the [2 CFR 200.67](#) Micro-Purchase Threshold and [2 CFR 200.88](#) Simplified Acquisition Threshold are generally found in the [FAR](#) at [48 CFR 2.101](#), and are periodically adjusted for inflation and statutory changes. As of the date of EPA issued this RAIN, 48 CFR 2.101 had not been updated to reflect either the \$10,000 Micro-Purchase Threshold or the \$250,000 Simplified Acquisition Threshold.