



Policy: Procurement on Federal Sponsored Programs	Policy No: S5.2
Policy Developer(s): Office of Sponsored Research	Original Date: May 18, 2018
Last Review Date:	Approval Date: October 17, 2019

- I. **POLICY:** Principal investigators (PIs) who direct sponsored programs will need to obtain equipment, supplies, parts and services from John Carroll University (“the University”) and commercial sources to conduct their projects. All purchases must be conducted in a manner that will provide open and free competition to the maximum extent practical and consistent with applicable Federal cost principles.
- II. **PURPOSE:** To clarify Federal requirements and procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal regulations [45 CFR 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards](#) and [2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).
- III. **SCOPE:** This policy applies to all sponsored awards and must be followed by all University faculty, staff and students involved with sponsored awards and/or the processing of expenses charged to sponsored awards. These guidelines are to be followed in accordance with the University’s [Purchasing Card \(P-Card\) Policy and Detailed User’s Manual](#) and [P-Card Prohibited Purchases](#).
- IV. **PROCEDURES:** The departments of Purchasing, Accounts Payable, Facilities, and Information Technology Services provide valuable purchasing, travel, and property management services to the Office of Sponsored Research (OSR), University faculty, staff, and research sponsors.

Departmental procedures must reflect the ethical standards of the OSR and the University. All university personnel authorized to conduct purchasing activities shall adhere to these principles and standards. Each employee involved in the expenditure of federal or state funds is held to the highest degree of public trust. No employee shall engage in or permit any illegal or improper purchasing practices, including but not limited to the following:

- Submission of equal or rotated bids
- Kickbacks (Reference the [Anti-Kickback Act and Public Law 99-6334](#))
- Conflicts of interest
- Acceptance of gratuities
- Participation in any community of financial interest with bidders
- Elimination of competition or restraint of trade

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- Violation of minimum wage or payment schedules for construction contracts
- Violation of standard work week, overtime and safety standards for construction contracts

Any employee having knowledge of any of these practices or other unethical or illegal conduct by any employee should immediately report this knowledge to the Director of Purchasing. Engaging in or permitting unethical or illegal conduct or the failure to report such conduct constitutes grounds for disciplinary action, including possible termination of employment and/or criminal prosecution.

A. Records: Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. For price analysis, this would mean keeping copies of all the documentation of the prices and vendors that were compared, identifying which vendor was chosen, and stating why that vendor was chosen. For cost analysis, it would mean keeping written documentation of the determination of whether a cost was reasonable, allocable to that grant, and allowable for that grants.

B. Sanctions: Failure to adhere to this policy and procedures may result in the administrative suspension and/or termination of a sponsored program agreement and other appropriate corrective actions.

V. CROSS REFERENCES:

A. [University Policies](#), including but not limited to

1. Sponsored Research Policies
2. Bank Account Reconciliation

B. Federal Regulations, Statement, and Mandates

1. [John Carroll University Purchasing Policy](#)
2. [45 CFR 75.327](#)
3. [2 CFR 200.318](#)
4. [Anti-Kickback Act and Public Law 99-6334](#)
5. [HHS Grants Policy Statement](#)
6. [HRSA Legislative Mandates in Grants Management for FY 2018](#)
7. [NIH Grants Policy Statement](#)
8. [NSF Proposal and Award Policies and Procedures Guide](#)

This policy will next be reviewed five years from its approval date/date of last review.