

June 2025

To: Dr. Carlondrea Hines

From: The Business Office

Re: Policy 715 Uniform Grant Guidance Regarding Federal Revenue Sources

**The purpose of this memo is to outline recommended changes to Policy 715.**

### **Background**

The micro-purchase threshold is the dollar limit below which the district can purchase supplies or services using federal funds without requiring a competitive bidding process. This results in simplified procurement by allowing micro-purchases (below the \$10,000 threshold) to be made directly without a formal competitive bidding process. Prices must still be reasonable and vendors must not be suspended or debarred from doing business with the federal government.

The micro-purchase threshold is updated annually, however the underlying policy 715 has not been updated since 2021. This is the first change since the federal update was delayed during COVID. The proposed 2025 policy updates the 2021 policy to align with federal and state requirements, enhance compliance, and incorporate sustainability and transparency. These changes make the 2025 policy more robust, environmentally conscious, and adaptable to Minnesota-specific provisions while ensuring stricter federal compliance.

Key changes include:

- Federal purchasing limits that require bids & quotes - Threshold Adjustments: Equipment threshold increased to \$10,000 (from \$5,000); simplified acquisition threshold lowered to \$175,000 (to fit with MN state statute); optional micro-purchase threshold increased to \$25,000 for Minnesota districts (to fit with MN state statute).
- New Federal Procurement Enhancements: Adds domestic preference, recovered materials, and veteran-owned business considerations; expands noncompetitive proposal conditions.
- Cybersecurity: Introduces explicit cybersecurity requirements for personally identifiable information and sensitive data.
- Subrecipient Monitoring: Adds a comprehensive section for subaward oversight.
- Mandatory Disclosures: Strengthens reporting requirements for federal law violations.
- Terminology: Updates to "recipient or subrecipient" and "simplified acquisitions procedures" for clarity and alignment with Federal Code Regulations.

### **Next Steps**

Policy 715 is recommended for approval at the June 24, 2025 school board meeting.