

## **NOTICE OF REGULATION REPEAL**

**March 10, 2006**

### **DEPARTMENT OF EDUCATION**

Division of Universities  
University of North Florida

### **REGULATION TITLE:**

Sponsored Research; Exemptions from General Accounting and Purchasing Procedures

### **REGULATION NO.:**

6C9-2.009

### **SUMMARY:**

The repeal is being undertaken in order to update the University Regulations in accordance with current University practice and procedure.

### **FULL TEXT:**

The full text of the regulation for repeal is attached.

### **AUTHORITY:**

Resolution of the Florida Board of Governors dated January 7, 2003 and Florida Statutes 1001.74 and 1004.22.

### **UNIVERSITY OFFICIAL INITIATING THE REPEALED REGULATION:**

Thomas Serwatka, Vice President and Chief of Staff

### **INDIVIDUAL TO BE CONTACTED REGARDING THE REPEALED REGULATION:**

Stephanie Howell, Paralegal, Office of the General Counsel, [showell@unf.edu](mailto:showell@unf.edu), phone (904)620-2828; fax (904)620-1044; Building 1, Room 2400, 4567 St. Johns Bluff Road South, Jacksonville, FL 32224.

***Any comments regarding the repeal of the regulation must be sent in writing to the contact person on or before Friday, March 24, 2006 (14 days from the date of posting this Notice) to receive full consideration.***

## **6C9-2.009 Sponsored Research; Exemptions From General Accounting and Purchasing Procedures.**

(1) Purpose: This rule describes University procedures for the administration of Sponsored Research exemptions from certain general statutory requirements relating to accounting and purchasing.

(2) The exemption will be granted only when the Director of Sponsored Research certifies to the President, that in a particular instance, it is necessary for the efficient or expeditious prosecution of a research project. Certification must be on Form UNF/DSRF-1 (eff. 4/91), herein incorporated by reference and available in the Division of Sponsored Research and Training Office. The certification will:

- (a) Be in the form of a written memorandum.
- (b) State the necessity for exemption.
- (c) Specify the legal or procedural requirements to be set apart.
- (d) Define the purchase, contract, award, project, or interrelated activities for which the exemptions are being given, specifically identifying the project title and number, contract title and number etc. as appropriate.

(3) Exemption Criteria: The Director of Sponsored Research may exempt a contract from certain general requirements of law and practice by certifying to the University President or his designee that one or more of the following conditions exist:

(a) **COMPETITIVE BIDDING.**

1. The Principal Investigator must submit a memorandum to the Director of Sponsored Research requesting a sponsored research exemption. The memorandum must include:

- a. A detailed justification for the request.
  - b. A written quotation from the requested vendor detailing the price, the FOB point, responsibility for freight and insurance, and payment terms.
  - c. A statement and/or other evidence, that some form of price comparison or determination of price reasonableness has been performed.
  - d. A written statement signed by the Principal Investigator certifying that he or she is independent of, and has no conflict of interest in the entities evaluated and selected.
2. One or more of the following criteria will be used to justify a request for a sponsored research exemption from competitive bidding:
- a. A certain vendor is specified in a prime contract or grant award.
  - b. A certain vendor is approved in writing by the prime contractor or granting agency in accordance with the provisions of the prime contract or grant award.
  - c. The purchase of specific goods or services from a certain vendor can be demonstrated to be more efficient or expeditious based on compatibility, availability, or the current capabilities of the Principal Investigator and Staff.
  - d. The purchase of specific goods or services from a certain vendor can be demonstrated to be necessary to meet the time requirements of the prime contract or grant award.
  - e. The purchase of specific goods or services from a certain vendor can be demonstrated to be mandated by scientific or technical requirements.
  - f. The purchase of specific goods or services from a certain vendor can be demonstrated to be at a cost below industry norms.

g. Other conditions which can be demonstrated to meet the statutory criteria of “necessary for the efficient or expeditious

prosecution of a research project.” The specific condition must be fully explained.

3. Any and all changes or corrections to a purchase order or contract issued on the basis of a Sponsored Research Exemption must also be approved by the Director of Sponsored Research or his/her staff designee.

(b) CONFIDENTIALITY. The research activity will receive an exemption from public scrutiny if;

1. The prime contract, grant award, or subcontract contains a confidentiality clause requiring the research materials to be exempt from public scrutiny, or;
2. It is determined that conditions exist, as prescribed by Section 240.241(2), F.S.

(c) DOCUMENTATION AND ADVANCE PAYMENTS.

1. Documentation:

a. The level of detail and documentation for reporting and payment required by the prime contractor or granting agency in the provisions of the prime contract, grant award, or otherwise approved in writing by the sponsor, is less than that required by the State of Florida.

b. When an exemption from the general provisions of Chapter 215, F.S., and related rules and practices is authorized, subcontractors’ invoices shall contain the level of detail and reporting required of the University by the prime contract or grant award.

c. It is not necessary for copies of receipts to be obtained or submitted with the voucher to the State Comptroller for the payment of such invoices, if the invoice contains a statement certifying that receipts in support of the itemized invoice are maintained in the contractor’s records and may be inspected by officials of the State of Florida.

2. Advance Payments:

a. The subcontractor or vendor requests an advance payment and it can be demonstrated that the advance payment is necessary to fund extensive start-up costs, realize discounts or cost savings, or create adequate cash flow in order to provide required goods or services.

b. The University shall retain the documentation justifying advance payments in the Division of Sponsored Research and Training. The Principal Investigator is responsible for determining that all goods/services, for which an advance payment has been made, are satisfactorily received.

c. In addition to the Sponsored Research Exemption Certification, the Division of Sponsored Research and Training will provide the Purchasing Department with specific payment details for inclusion in the purchase order.

d. The University may require the vendor to secure some form of liability protection to cover the amount of advance payments, as deemed appropriate.

3. When an exemption from the general provisions of Chapter 215, F.S., and rules and policies in implementation thereof (for documentation or advance payment) is authorized, the provisions of a contract between the University and the subcontractor must include essentially the following language:

The Contractor agrees to return to the University any overpayments due to unearned funds or funds disallowed pursuant to the terms of this Contract or by the prime agency that were disbursed to the Contractor by the University. Such funds shall be considered University funds and shall be refunded to the University within 45 days following the time the overpayment and/or disallowance is discovered unless otherwise authorized by the University in writing. In addition, the Contractor agrees to exclude from its expenditure reports and any other claims for reimbursement any amounts disallowed by the prime agency and the University in accordance with the terms of this Contract.

(d) TRAVEL. For non-state of Florida personnel, that the allowances for travel expenses, in accordance with the provisions of the prime contract or grant award and the allowances for travel expenses established by the subcontractor's written policy, are greater than the allowances provided by the State of Florida. (A copy of the subcontractor's written travel procedures shall be made a permanent part of the documentation contained in the Division of Sponsored Research Office contract file.)

(e) OTHER. Other conditions which are "necessary for the efficient or expeditious prosecution of a sponsored project." The specific conditions must be fully explained.

(4) Execution and Distribution:

(a) If the request is for an exemption from the competitive bid requirements, the Principal Investigator will submit the request for the Sponsored Research Exemption to the Division of Sponsored Research and Training, allowing time for adequate review of the request. The request should be accompanied by the general requisition, the documentation listed in paragraph (2)(a) above and any additional essential documentation.

(b) Requests for other Sponsored Research Exemptions may be initiated by the Principal Investigator, the Division of Sponsored Research and Training, or other University personnel, as appropriate.

(c) The Division of Sponsored Research and Training will review the request for Sponsored Research Exemption to determine if all of the required conditions have been met. The Certification will be prepared by the Division of Sponsored Research and Training, signed by the Director of Sponsored Research, and be forwarded to the University President.

(d) Evidence of consultation with the Director of Purchasing for non-competitive procurement shall be present prior to submitting to the President for signature.

1. The Division of Sponsored Research and Training will send a copy of the Sponsored Research Exemption Certification memorandum provided to the President, the general requisition, and a copy of the other documentation listed in paragraph (2)(a) above, to Purchasing.

2. Purchasing will be responsible for compliance with all other State of Florida and University rules and regulations.

3. Any purchase order issued under a Sponsored Research Exemption will contain a statement indicating that a Sponsored Research Exemption was given.

4. Purchasing will forward a copy of the Certification, along with a copy of the contract and/or purchase order to the University Controller's Office. The University Controller's Office will forward a copy of these documents to the State Comptroller as an attachment to the voucher for the payment of the first invoice.

(e) A Sponsored Research Exemption may only be used when the purchase of goods or services is fully funded from sponsored research funds. Payments made for purchases or other actions under a sponsored research exemption may not be reimbursed subsequently from other University funds.

(f) A copy of the Sponsored Research Exemption Certification and any supporting documentation will be maintained in the Division of Sponsored Research and Training.

*Specific Authority 240.227(1), 240.241(2) FS. Law Implemented 240.209(1), 240.241, 287.057 FS. History—New 4-10-91.*