



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary
Washington, D.C. 20201

MEMORANDUM

DATE: October 18, 2022

TO: Polly D. Stokley, CPA
Vice President for Finance and Administration
University of South Alabama

FROM: Johanna Nestor
Director
Division of Policy, Oversight, and Evaluation
HHS/Office of Grants

**Johanna L.
Nestor -S** Digitally signed by
Johanna L. Nestor -S
Date: 2022.10.18
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SUBJECT: Approval of Request for Increased Micro-purchase Threshold

This is in response to your inquiry dated October 14, 2022, in which you request an approval to increase your university's micro-purchase threshold to \$75,000.

As directed in §200.230(a)(1)(v), a micro-purchase threshold higher than \$50,000 must be approved by the cognizant agency for indirect costs. The non-federal entity must submit a request with the requirements included in [paragraph \(a\)\(1\)\(iv\)](#) of the section. The increased threshold is valid until there is a change in status in which the justification was approved.

The HHS Office of Grants has reviewed your request and finds that the University of South Alabama is a low-risk auditee, in accordance with the criteria in [§ 200.520](#) for the most recent audit, and has ensured the higher threshold is consistent with State law.

Therefore, your request to use a micro-purchase threshold of \$75,000 dollars is approved. Please continue to conduct an annual internal institutional risk assessment to identify, mitigate, and manage financial risks. Please also note that HHS reserves the right to rescind this approval if there is a negative change in status.

If you have any questions concerning this matter, please contact me at Johanna.Nestor@hhs.gov.