

State Procurement Manual

DOA-3449 N(R06/94) Formerly AD-P-12

		Number PRO-C-32
		Effective 9-21-10
Section THE PROCUREMENT PROCESS	Agencies Affected ALL	Replaces 10-1-85
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- PROCEDURE: I. The process for exempting grants and payments made pursuant to statute from procurement rules and procedures will occur in the following manner:
- A. Grants
1. When first applying for a grant, if the agency intends to name the recipients of the funding, the agency must select those recipients through a competitive process.
 2. The agency must follow a transparent, fair and equitable selection process for choosing recipients regardless of whether or not the agency is using grant funds.
 3. Any agency that wants to exempt a grant program from the procurement rules and procedures must prepare a letter to the director, State Bureau of Procurement. (The [Checklist](#) for a Request for Exemption of a Grant or a Payment Made Pursuant to Statute accompanies the letter.) The following information must be included in/with the letter:
 - a. The name of the grant program,
 - b. A tracking number (assigned by the agency) (Note: Consolidated Agency Purchasing Services (CAPS) agencies will be assigned a tracking number by CAPS.),
 - c. An indication that the program named is a grant with the rationale used to arrive at that conclusion,
 - d. A concise explanation of the grant program,
 - e. A statement of the public purpose of support or stimulation for the grant funds that are to be distributed (excluding the amount of money the agency is allowed for administration of the grant),
 - f. The source of funding of the program,

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- g. A reference and concise description of the applicable state or federal statutes, rules, policies, procedures and/or regulations that govern the selection and distribution of fund recipients. These may be found in, for example, the Federal Acquisition Regulations (FAR), Code of Federal Regulations (CFR), Office of Management and Budget (OMB) Circulars, Wisconsin Administrative Codes, or Executive Orders,
 - h. An explanation of how requirements dictated by the CFR or FAR have been met (if applicable),
 - i. A description of the recipients of the funding,
 - j. A description of the process used to select recipients,
 - k. A statement that the funds do not directly benefit or will not be used by the requesting agency, and
 - l. Any other relevant information.
4. The agency head or his/her designee and the agency purchasing officer who is the Department of Administration's specially designated agent under s. 16.71(1), Wis. Stats., will both sign the letter certifying that the programs identified do not in their judgment constitute purchases as described above.

B. Payments made pursuant to statute

- 1. Any agency that wants to exempt a payment made pursuant to statute from the procurement rules and procedures must prepare a letter to the director, State Bureau of Procurement. (The [Checklist for a Request for Exemption of a Grant or a Payment Made Pursuant to Statute](#) accompanies the letter.) The following information must be included in/with the letter:
 - a. The name (if applicable) of the payment program,
 - b. A tracking number (assigned by the agency) (Note: Consolidated Agency Purchasing Services (CAPS) agencies will be assigned a tracking number by CAPS.),

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- c. An indication that the program named is a payment made pursuant to statute with the rationale used to arrive at that conclusion,
 - d. A concise explanation of the payment program,
 - e. The source of funding of the program,
 - f. A reference and concise description of the applicable state or federal statutes, rules, policies, procedures and/or regulations that dictate only one provider is statutorily permissible and the rate of reimbursement. These may be found in, for example, the Federal Acquisition Regulations (FAR), Code of Federal Regulations (CFR), Office of Management and Budget (OMB) Circulars, Wisconsin Administrative Codes, or Executive Orders,
 - g. An explanation of how requirements dictated by the CFR or FAR have been met (if applicable),
 - h. A description of the recipients of the funding, and
 - i. Any other relevant information.
2. The agency head or his/her designee and the agency purchasing officer who is the Department of Administration's specially designated agent under s. 16.71(1), Wis. Stats., will both sign the letter certifying that the programs identified do not in their judgment constitute purchases as described above.
- II. Upon receipt of the letter, the State Bureau of Procurement will review the programs identified to determine the appropriateness of exempting them from procurement rules and procedures.
 - III. All programs that are appropriately exempted from the procurement rules and procedures will be certified back to the state agency by the director, State Bureau of Procurement. The State Bureau of Procurement and the state agency will both keep these certification letters on file for future reference.
 - IV. Any new or modified programs can be exempted from the procurement rules and procedures by following the same process in the future as a need for exemption is identified by any state agency.

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- V. An exemption remains in effect for the life of the program as long as funds are available. The exempt program certification has no expiration date and can be used by the agency indefinitely. There is no need for follow-up certification unless substantive changes are made to exempt programs, including changes in funding and eligible recipients. If there are substantive changes, the agency must prepare a letter to the director, State Bureau of Procurement according to the procedures above. The agency will use the tracking number from the original exemption.
- VI. State agencies are responsible for establishing appropriate internal procedures for handling grant programs and other nonprocurement transactions.
- VII. See [PRO-C-25](#), Intergovernmental Procurements.

Authorized:



Helen McCain, Director
State Bureau of Procurement