

### **FSU-5.0881 Sponsored Research Exemptions.**

#### (1) General Information:

(a) Subsection ~~240.241(9)~~1004.22(7), Florida Statutes, allows the University, in particular instances, to exempt the purchase of materials, supplies, equipment, or services for research purposes from the general ~~procurement~~ requirements of ~~Chapter 287, Florida Statutes~~. Also subsection ~~240.241(12), Florida Statutes~~, allows exemption from ~~Chapters 215 (Financial Matters), 216 (Planning and Budgeting), and 283 (Public Printing and Stationary)~~, subject to subsection ~~240.241(9), the~~ Florida Statutes.

(b) The exemption shall be exercised only when the Vice President for Research certifies to the President, that it is necessary for the efficient or expeditious prosecution of a sponsored project.

(2) Exemption Criteria: Exemptions may be granted from various statutory requirements if the conditions noted below exist.

#### (a) Competitive ~~Bidding~~Solicitation.

1. The request to be exempted from the competitive bidding requirements must demonstrate that the exemption is “necessary for the efficient or expeditious prosecution of a research project”. This shall be shown, for example, where a certain ~~vendor~~supplier is specified in a prime contract or grant award; a certain ~~vendor~~supplier is approved in writing by the prime contractor or granting agency in accordance with the provisions of the prime contract or grant award; the purchase of specific goods or services from a certain ~~vendor~~supplier can be demonstrated to be more efficient or expeditious based on compatibility, availability, or the current capabilities of the Principal Investigator and staff; the purchase of specific goods or services from a certain ~~vendor~~supplier can be demonstrated to be necessary to meet the time requirements of the prime contract or grant award; the purchase of specific goods or services from a certain ~~vendor~~supplier can be demonstrated to be mandated by scientific or technical requirements; the purchase of specific goods or services from a certain ~~vendor~~supplier can be demonstrated to be at a cost below industry norms; or other conditions which can be demonstrated to meet the statutory criteria “necessary for the efficient or expeditious prosecution of a research project”.

2. The Principal Investigator’s exemption request must include:

- a. Detailed justification for the request;
- b. Written quotation from the requested ~~vendor~~supplier detailing the price, the FOB point, responsibility for freight and insurance, and payment terms;
- c. Statement and/or other evidence that some form of price comparison or determination of price reasonableness has been performed; and
- d. Completed conflict of interest statement by the Principal Investigator ~~(subsection 287.057(19), Florida Statutes)~~.

3. The Principal Investigator will submit the request for the sponsored research exemption to the Office of the Vice President for Research, allowing sufficient time for adequate review of the request. The request shall be accompanied by the general requisition number, the documentation listed above and any additional essential documentation. The Office of the Vice President for Research will send a copy of the approved sponsored research exemption to Procurement Services for their review and posting requirements prior to the issuance of the purchase order.

(b) Documentation and Advance Payments. To obtain exemption authorized by ~~Chapter 215, Florida Statutes~~, the following conditions must be met:

#### 1. Documentation:

a. Subcontractors’ invoices shall contain a level of detail that is, at a minimum, commensurate with the level of detail and reporting required of the University by the prime contract or grant award; and

b. Subcontractors’ invoices submitted ~~to the State Comptroller~~ for payment must contain a certification that receipts in support of the invoice are maintained in the contractor’s records and may be inspected by officials of the ~~State of Florida~~University.

#### 2. Advance Payments:

a. Advance payment must be 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 Principal Investigator must be responsible for determining that all goods/services, for which an advance payment has been made, are satisfactorily received.

c. The University may require the ~~vendor~~supplier to secure some form of liability protection to cover the amount of advance payments. In making this determination, based upon the facts and circumstances of each case, the University's exposure to risks shall be considered.

d. When an exemption under paragraph (2)(b) is authorized, the contract will contain the following provision, "The Contractor agrees to return to the University any over payments 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/or the University in accordance with the terms of this contract."

(c) Miscellaneous Exemptions.

1. Other exemptions may also be authorized if it can be demonstrated that they are necessary for the efficient or expeditious prosecution of a project. These include but are not limited to:

a. ~~Travel:~~ Travel: Subject to the conditions of subsection 1004.22(5), a subcontractor may be reimbursed for travel expenses of non-State of Florida personnel performing travel under a sponsored research subcontract in accordance with the provisions of the applicable prime contract or grant and the travel allowances normally provided by the subcontractor.

b. Confidentiality: Where the conditions of subsection ~~240.241~~1004.22(2), Florida Statutes, are met, some information may be protected from disclosure as a public record pursuant to Chapter 119, Florida Statutes, if the research activity necessitates an exemption from public scrutiny.

(3) Certification by Vice President for Research:

(a) The Certification shall:

1. State the necessity for exemption;
2. Specify the legal or procedural requirements to be set apart; and
3. 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, as appropriate.

(b) Distribution:

1. The original certification will be sent to the University President.
2. A copy of the Sponsored Research Exemption Certification memorandum provided to the President, the general requisition number and a copy of the other documentation listed above will be sent to Purchasing/Procurement Services.

(c) Purchasing/Procurement Services will be responsible for compliance with all other ~~State of Florida and~~ University rules and regulations. Prior consent to a Sponsored Research Exemption by the Director of Purchasing/Procurement Services is not required, although ~~his/her~~ Director's advice and counsel may be sought. However, if after viewing the documentation provided, Purchasing/Procurement Services has knowledge of any information that would impact the use of a sponsored research exemption, the Office of the Vice President for Research shall be contacted prior to issuance of the purchase order. Any purchase order issued under a sponsored research exemption will contain a statement indicating that a sponsored research exemption was given.

~~(d) 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.~~

(d) Procurement Services will post the sponsored research exemption on a public website for three business days, and will maintain all documentation related to the purchase electronically.

(4) Other Requirements:

(a) A sponsored research exemption shall 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 shall not be reimbursed subsequently from other University funds.

(b) A copy of the Sponsored Research Exemption Certification and any supporting documentation will be maintained in the Office of the Vice President for Research.

Specific Authority BOG Resolution January 7, 2003, Reg. Procedure July 21, 2005. Law Implemented FS § 1004.22, FS § 240.241(2), (7), (9), (12) FS. History–New 10-20-91. Revised \_\_\_\_\_