**GRANT/PRIVATE/GIFT FUNDING**

**FREQUENTLY ASKED QUESTIONS**

1. **Regarding these sentences:**

“*Upon request of the department or unit, the University may elect to exempt transactions funded wholly with non-public funds from certain procurement requirements, such as bidding or other processes prescribed for transactions purchased with public funds. However, there is no automatic or blanket approval for exemption based on these funding sources so any exemptions will be determined on a case-by-case basis.*”

 and

“*Purchases funded by revenues derived from self-supporting enterprises that are not operated as a primary function of the agency shall not require additional approval for exemption, but it is strongly recommended that the procurement process required by law for public funds also be applied to these transactions when practical as a matter of best practice.”*

The first sentence states grant purchases can forego some purchase requirements, but they have to get approval before proceeding. The second sentence then says 100% grant funded purchases don’t require additional approval for exemption. Please provide clarification.

**ANSWER:** The second sentence refers to fully self-supporting enterprises, such as Athletics, which as a whole are self-funded and receive no public funding. For example, this does not apply to a Walton College transaction which is 100% grant funded. Since WCOB is not fully self-supporting, this would fall into the case-by-case approval explained in the first sentence.

1. **How does this affect vehicle purchases?**

**ANSWER:**

Purchase of vehicles which are registered/titled to the University of Arkansas shall follow DF&A requirements regardless of funding source.

1. **Does any grant, gift or service-center worktag fall under the definition of private funding?**

**ANSWER:**

Please consult Financial Affairs for any questions regarding particulars of worktags.

1. **Regarding the statement “Transactions may NOT be created on a private fund worktag then updated to a public fund worktag, either in part or in whole”, does that apply to any and all transactions created on private fund worktags?**

**ANSWER:**

No. This applies only to transactions which were exempted from procurement law based on the funding. If exemption is obtained due to private funding, the worktag cannot be updated in the future to public funds. This will be policed by a monthly audit.