



Financial Services Audit Committee Communication

Date: February 27, 2026

To: Great Lakes Water Authority Audit Committee

From: Alicia Schwartz, Grants Manager

Re: Micro-Purchase Annual Self-Certification Process -Threshold Increase to \$50,000

Background: During a review of Grants Management procedures with the Procurement Team, we identified an opportunity to improve the procurement process by increasing the micro-purchase threshold as stated in federal regulation from \$5,000 to \$50,000. This increase is permitted under 2 Code of Federal Regulation (CFR) § 200.320(a)(1)(iii)-(iv). This regulation allows non-Federal entities to set a threshold up to \$50,000 for small purchases, provided the increase is documented through an annual self-certification process.

To comply with federal requirements, the Great Lakes Water Authority (GLWA) must document this change annually through self-certification, which involves documenting justification and confirmation of eligibility.

Analysis: The most recent GLWA Single Audit completed by the GLWA external auditors as part of the annual financial audit reported no major findings and supports GLWA's status as a low-risk auditee. As a low-risk auditee, GLWA can support the increase in micro-purchase threshold to \$50,000. This annual self-certification process provides that the Grants Team will complete the attached form to maintain on file reflecting ongoing certification of the \$50,000 micro-purchase limit.

Benefits of this change include:

- Reduced administrative burden from repetitive small-dollar procurement procedures.
- Maintained compliance with procurement standards under 2 CFR § 200.317–200.327.
- Continued oversight by GLWA Procurement to ensure discipline and accountability.

Proposed Action: Receive and file this report.