Purchasing Equipment or other Capital Assets

Federal regulations require that prior approval must be obtained prior to the purchase of equipment and other capital assets using the non-profit school food service account. Prior approval ensures the cost of the equipment is necessary for program purposes and the nonprofit school food service account can absorb the cost.

- All purchases of equipment and capital asset must follow proper procurement procedures.
  - Equipment must be necessary; reasonable; allocable

- Equipment is defined as “tangible personal property with a useful life of more than one year and a per unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial purposes, or $5,000”

- Some equipment is pre-approved to purchase without pre-approval.
  - The Washington State Pre-Approved Equipment List provides the list of equipment that is pre-approved.
  - LEAs may purchase these items without prior approval
  - Proper procurement procedures must be followed

- LEAs wishing to purchase equipment not included in the Washington State Pre-Approved Equipment List must receive approval from Child Nutrition Services.
  - Complete and submit the Capital Expenditure Pre-Approval Request Form.

  - LEAs with a locally set threshold for acquisition cost less than $5,000 must still obtain prior approval.

Procurement Regulations:

- 2 CFR 200 Uniform Administrative Requirements: Cost Principles and Audit Requirements for Federal Awards
- SP 39-2016 State Agency Prior Approval Process for School Food Authority Equipment Purchases

Resources:

- CNS Procurement web page

Acronym Reference

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>-OSPI</td>
<td>Office of Superintendent of Public Instruction</td>
</tr>
<tr>
<td>-CFR</td>
<td>Code of Federal Regulations</td>
</tr>
<tr>
<td>-CNS</td>
<td>Child Nutrition Services</td>
</tr>
<tr>
<td>-CFR</td>
<td>Code of Federal Regulations</td>
</tr>
</tbody>
</table>