



MEMORANDUM

TO: All Institutions Participating in the Child and Adult Care Food Program (CACFP)

FROM: *Norma Birckhead*
Norma Birckhead, CACFP Manager

SUBJECT: Federal Small Purchase Threshold Adjustment

DATE: February 28, 2013

STATE AGENCY MEMO: CACFP #3-13

The memorandum, *Small Purchase Threshold*, issued by the Financial Management Division on September 11, 2012, calls attention to a change in the Federal Small Purchase Threshold as it relates to all Food and Nutrition Service (FNS) program procurements¹ under Federal grants. The simplified acquisition threshold is confirmed as \$150,000; replacing the previous threshold of \$100,000. The change was made through statutorily required administrative action.

State and local agencies may use the simplified acquisition procedures for small purchases up to the threshold set by 41 U.S.C. 403(11), which is \$150,000. This increase in the threshold will allow for more small purchase procurements to be conducted using relatively simple and informal methods for securing services, supplies, or other property [7 CFR §3016.36(d)] provided that each procurement, regardless of amount, is conducted in a manner that ensures free and open competition. State and local agencies may set a lower small purchase threshold and thereby impose more restrictive procurement procedures as authorized by 7 CFR §3016.36(a), §3016.37(a), and §3016.60(a). Therefore, all State and local procurement requirements still apply.

Please note that the small purchase threshold in the District of Columbia is \$100,000, as specified in 27 DCR 1800. Therefore, participants in the District may only follow the simplified procurement procedures for purchases under \$100,000.

If you have any questions, concerns, or require further clarification related to this memorandum, please do not hesitate to contact your assigned CACFP Specialist. We appreciate your continued participation in the CACFP!

¹ As per policy memo CACFP 09-2008 and SFSP 08-2008 the small purchase threshold for CACFP and SFSP programs is linked to 41 U.S.C. 403(11). Consequently, the above small purchase threshold now applies to all FNS programs.