



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

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Alexandria, VA  
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DATE: March 28, 2014

MEMO CODE: SP 31 - 2014

SUBJECT: State Agency Prior Approval Process for School Food Authority (SFA) Equipment Purchases

TO: Regional Directors  
Special Nutrition Programs  
All Regions

State Directors  
Child Nutrition Programs  
All States

Government-wide requirements found in the Office of Management and Budget (OMB) guidance cited at 2 CFR Part 225 (*Cost Principles for State, Local, and Indian Tribal Governments*), Appendix B, section 15 (*Equipment and other capital expenditures*) require a grantee or sub-grantee to obtain the prior written approval of its awarding agency before incurring the cost of a capital expenditure. Both the OMB guidance and Generally Accepted Accounting Principles identify equipment as a capital asset. For purposes of this Federal prior approval requirement, the OMB guidance and Department of Agriculture (USDA) regulations define as “equipment” any item of non-expendable personal property with a useful life of a year or longer and an acquisition cost which equals or exceeds the Federal per-unit capitalization threshold of \$5,000 or a lower threshold set by State or local level regulations.

Purchasing equipment and other capital assets expose the program to greater risk than do expenditures for such routine, recurring items as staff salaries, supplies, etc. By approving a grantee’s or sub-grantee’s purchase of a capital asset, the awarding agency agrees to pay for it in advance. This is tantamount to paying a program cost before the program has received any benefit from the asset’s use. In the case of the School Meal Programs, the State agency’s prior review and approval provides reasonable assurance that the asset’s acquisition cost is necessary for program purposes and the SFA’s nonprofit school food service account can absorb the cost.

As an agency we recognize that the requirement that State agencies approve each SFA purchase that meets the definition of equipment as described above can be administratively burdensome. Therefore, this memorandum extends flexibility to State agencies to implement an option that would alleviate some administrative burden associated with the prior approval process without departing from Federal government-wide grants management rules.

This option would allow State agencies, with FNS Regional Office (RO) approval, to develop a list and criteria for capital assets typically purchased by SFAs (e.g., convection ovens, steamers, reach-in or walk-in refrigeration equipment, etc.). Any equipment established on the FNS-approved equipment list will receive automatic State agency approval, and therefore, the SFA may purchase those equipment items, following proper Federal, State, or local procurement procedures, as applicable, without submitting a request to the State agency for approval.

If an SFA chooses to select equipment that was not included on the FNS-approved list, it must submit a request for approval to the State agency prior to purchasing the item as required at 2 CFR Part 225 Appendix B, section 15.

During local administrative reviews as required by 7 CFR Part 210.18 and audits as required by 7 CFR Part 3052, State agencies must ensure appropriate equipment purchases were made based on either the FNS RO approved equipment list or the State agency prior approval process. If any equipment purchases are identified as unallowable, State agencies would disallow these purchases and implement their debt collection procedures.

Questions regarding this memo should be directed to the ROs. RO questions should be directed to the Program Monitoring and Operational Support Division.

**Original Signed**

Cynthia Long  
Deputy Administrator  
Child Nutrition Programs

# Child Nutrition Programs (CNP) Equipment List

Capital assets (equipment)\* typically purchased by SFA's/Sponsors for use in the CNPs that are pre-approved by MDE OCN

"Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the SFA/Sponsor for financial statement purposes, or \$5000.

## Carts

- Tray Station
- Tray Truck
- Tray Delivery Cart
- Tray Dispenser
- Trash Cart
- Banquet Cart
- Insulated Transport Cart
- Heated Transport Cart
- Refrigerated Transport Cart
- Kiosks

## Cold Food Tables

- Cafeteria Breath Guard/Sneeze Guard
- Refrigerated Buffet Tables
- Refrigerated Salad Bars

## Combo

### Walk-In Cooler/Freezer Combo

## Computers/Hardware & Software

- Cash Registers/Point-of-Sale Equipment
- Software/programs for management (i.e. Inventory Meal Counts, Application Approval-must also submit Form7F & receive KSDE approval)

## Dishwasher-Sinks and Supplies

- Under Counter Dishwasher
- Conveyor Dishwashers
- Door Type Dishwashers
- Waste Disposal
- Sinks
- Water Heater Booster
- Dish Tables
- Floor Troughs
- Disposer

## Food Preparation Equipment

- Griddles
- Hot Plates
- Microwaves
- Electric Food Slicers
- Toasters
- Induction Cookers
- Food Processors
- Food Blenders
- Food Cutters
- Hot Water Dispenser
- Refrigerated Prep Tables
- Countertop Mixers
- Floor Mixer
- Food Processors
- Vertical Cutter Mixer
- Planetary Mixer
- Dough Divider/Bun Cutter
- Dough Roller/Sheeter
- Slicer

## Freezers

- Chest Freezers
- Solid Door Reach- In Freezers
- Walk-In Freezers
- Worktop Freezers
- Under Counter Freezers
- Refrigerator Freezer Dual Temp
- Blast Chiller/Freezer
- Reach -In Freezer (Double Door)
- Frost Top Serving Counter

## Holding and Proofing Cabinets

- Holding Cabinets – Stationary and/or Mobile
- Proofing Cabinets
- Low Temperature Holding Cabinet
- Hot Food Storage Cabinets
- Proofer Holding Cabinet
- Reach-In Heated Cabinet, 2 Sections

## Ice Machines

- Nugget Ice Maker

## Ranges and Ovens

- Cooktops and Ranges
- Combi Ovens
- Convection Ovens
- Cook and Hold Ovens
- Tilting Skillet
- Tilting Kettle
- Kitchen Exhaust Systems
- Retractable Exhaust

## Refrigerators

- Pass (Walk) Thru Refrigerators
- Drop-In Refrigerators
- Solid/Glass Door Reach-In Refrigerators
- Sandwich/Salad Prep Tables
- Milk Coolers
- Walk-In Coolers
- Reach – In Refrigerator, 2 Sections
- Reach – In Refrigerator, 3 Sections
- Refrigerated Display Cases
- Under Counter Refrigerators
- Worktop Refrigerator
- Refrigerator Freezer Dual Temp
- Pass-Thru refrigerator, 2 Sections

## Shelving for Storerooms, Refrigerators, Freezers

- Storage Racks
- Can Racks

## Tables & Chairs for Dining Room

## Steam Tables/Equipment

- Electric Steam Tables
- Gas Steam Tables
- Steam Tables Serving Self
- Cafeteria Breath Guard/Sneeze Guard
- Steamer
- Double Stack Convection Steamer

## Tray Line

- Serving Line – custom design

## Vehicle to Transport Food

## Food Warmers

- Countertop Food Warmers
- Drawer Warmers
- Soup Kettles
- Drop-In Food Warmers
- Range, 60", 10 Open Burners
- Hot Food Serving Counter

## Work Tables

- Enclosed Base Work Table
- Poly Top Work Table
- Stainless Steel work Tables with Under Shelf
- Exhaust Hood