



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

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Division of Public Health

June 18, 2019

**Memorandum**

**NC CACFP 19-13**  
**CACFP 07-2019**

To: Institutions Participating in the Child and Adult Care Food Program  
From: Courtney Jones, Special Nutrition Programs Manager *CJ*  
Subject: Federal Micro-Purchase and Simplified Acquisition Thresholds

This memorandum supersedes NC CACFP 12-16 (CACFP 01-2013), which has been removed from our website.

This memorandum notifies all child nutrition program state agencies and program operators of guidance the Food and Nutrition Services (FNS) received from the Office of Management and Budget (OMB), OMB M-18-18, authorizing increases to the value of the micro-purchase and simplified acquisition thresholds. In accordance with recent statutory changes announced June 20, 2018, as set forth in the National Defense Authorization Acts (NDAA) for Fiscal Years 2017 and 2018, the thresholds under Federal financial assistance awards are increased as follows:

- Federal micro-purchase threshold - increased from \$3,500 to \$10,000 and
- Federal simplified acquisition threshold (formerly known as the federal small purchase threshold) -increased from \$150,000 to \$250,000.

FNS is applying these changes to all child nutrition programs including the National School Lunch Program (NSLP), Child and Adult Care Food Program (CACFP), and the Summer Food Service Program (SFSP). Further, this guidance implements an approval process for certain state agencies and program operators that want to request micro-purchase thresholds higher than \$10,000. Child nutrition program operators, school food authorities, and institutions will submit a written request with the threshold level being requested and justification(s) for approval of a higher micro-purchase threshold to their child nutrition program state agency. State agencies may submit a written request with the threshold level being requested and justification(s) for approval of a higher micro-purchase threshold to their appropriate FNS regional office.

Agencies are required to implement these changes in the terms and conditions of their awards, and all recipients (state agencies and program operators) of existing federal financial assistance

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awards may implement the changes in their internal controls. State and local agencies may set lower micro-purchase and simplified acquisition thresholds and thereby impose more restrictive procurement procedures as authorized by 7 CFR 210.19(e), 225.18(f), and 226.25(b).

In an effort to simplify procurement and create more uniform procurement requirements for all child nutrition program operators, this memorandum supersedes NC CACFP 12-16 (CACFP01-2013).

**Procurement Thresholds in CACFP:** As noted above, FNS seeks to simplify procurement and create more uniform procurement requirements for all child nutrition programs. Therefore, this memorandum links existing procurement and contract thresholds referenced in the program regulations to the federal simplified acquisition threshold. The specific CACFP regulations now linked to the federal simplified acquisition threshold are identified below.

**Institution FSMC contracts:** In the absence of state or local laws, and in addition to the procurement provisions in 7 CFR 226.22, state agencies may mandate that institutions with program meal contracts of an aggregate value in excess of \$10,000 formally advertise such contracts and comply with procedures intended to prevent fraud, waste, and program abuse. 7 CFR 226.21(a)(1-7) identifies the specific procedures including 7 CFR 226.21(a)(7) requiring bids totaling \$50,000 or more shall be submitted to the state agency for approval before acceptance.

This memorandum updates the threshold at 7 CFR 226.21(a) and (7) to link these to the federal simplified acquisition threshold currently set at \$250,000.

**Procurement standards:** 7 CFR 226.22(i)(1) identifies a small purchase threshold for purchases costing an aggregate dollar value of no more than \$10,000 unless a more restrictive state or local dollar limit applies (under \$10,000).

This memorandum updates the \$10,000 threshold at 7 CFR 226.22(i)(1) and links this to the federal simplified acquisition threshold currently set at \$250,000. When established, a more restrictive state or local threshold applies.

Institutions with questions should contact their Regional Consultant or the Financial Management Team at [FinancialManagementTeam@dhhs.nc.gov](mailto:FinancialManagementTeam@dhhs.nc.gov)