

# OSPI Procurement Reference Sheet

## 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 assets 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.
  - Local Education Agencies (LEAs) may purchase these items without prior approval.
  - Proper procurement procedures must be followed.
- 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

- [Procurement webpage](#)

## Acronym Reference

- CFR – Code of Federal Regulations
- LEA – Local Education Agency
- OSPI – Office of Superintendent of Public Instruction