

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 \$10,000”
- 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 \$10,000 must still obtain prior approval.



Procurement Regulations

- [2 CFR 200 Uniform Administrative Requirements: Cost Principles and Audit Requirements for Federal Awards](#)
- [2 CFR 200.439 \(b\)\(2\)](#)
- [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