

NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**


ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK T. BENTON • Assistant Secretary for Public Health
Division of Public Health

November 26, 2019

Memorandum

NC CACFP 20-02
CACFP 07-2019 - Revised

To: Institutions Participating in the Child and Adult Care Food Program

From: Courtney Jones, Special Nutrition Programs Manager 

Subject: Federal Micro-Purchase and Simplified Acquisition Thresholds for Procurement, Applying the Simplified Acquisition Threshold in the National School Lunch Program, Child and Adult Care Food Program, and Summer Food Service Program Procurement Standards, and School Food Authority Operations

This memorandum supersedes NC CACFP 19-13 (USDA CACFP07-2019) published June 18, 2019, regarding the increase in the value of the micro-purchase and simplified acquisition thresholds (SATs):

- Federal micro-purchase threshold—\$10,000 or less; and
- Federal SAT (as also known as the small purchase threshold)—\$250,000 or less.

These thresholds apply 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). The updates to these thresholds were made effective June 20, 2018.

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 awards may implement the changes in their internal controls. In addition to the Federal thresholds, State and local agencies may set more restrictive micro-purchase and/or SATs 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 and create more uniform procurement requirements for all Child Nutrition Program operators, this memorandum supersedes USDA CACFP 01-2013 and USDA CACFP 02-2013, where procurement thresholds are referenced.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF PUBLIC HEALTH • NUTRITION SERVICES BRANCH

LOCATION: 5601 Six Forks Road, Building 2, Raleigh, NC 27609
MAILING ADDRESS: 1914 Mail Service Center, Raleigh, NC 27699-1914
www.ncdhhs.gov • TEL: 919-707-5800 • FAX: 919-870-4818

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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 SAT. The specific CACFP regulations now linked to the Federal SAT 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)). Regulations at 7 CFR 226.21(a)(1)–(7) identify the specific procedures, including 7 CFR 226.21(a)(7) which requires that bids totaling \$50,000 or more be submitted to the State agency for approval before acceptance. This memorandum updates the threshold at 7 CFR 226.21(a) and 226.21(a)(7) to link these to the Federal SAT 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 SAT currently set at \$250,000. When established, a more restrictive State or local threshold applies.

School Food Authority (SFA) CACFP Operators: To simplify Program participation for SFAs operating the NSLP and similar to SFSP13-2014, FNS is providing SFAs with the option to comply with the procurement standards found in 7 CFR 210.21 in lieu of the corresponding procurement standards at 7 CFR 226.22. State agency approval is not required to utilize this option.

Institutions with questions should contact their Regional Consultant or the Nutrition Training and Policy Team at CACFPtraining@dhhs.nc.gov.