



United States
Department of
Agriculture

Food and
Nutrition
Service

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DATE: October 2, 2012

MEMO CODE: SP 01-2013 CACFP 01-2013 SFSP 01-2013

SUBJECT: Federal Small Purchase Threshold Adjustment

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

The attached memorandum, *Small Purchase Threshold*, issued by the Financial Management Division on September 11, 2012 calls attention to a change in the Federal Small Purchase Threshold as it relates to all Food and Nutrition Service (FNS) program procurements¹ under Federal grants. The simplified acquisition threshold is confirmed as \$150,000; replacing the previous threshold of \$100,000. The change was made through statutorily required administrative action.

State and local agencies may use the simplified acquisition procedures for small purchases up to the threshold set by 41 U.S.C. 403(11), which is \$150,000. This increase in the threshold will allow for more small purchase procurements to be conducted using relatively simple and informal methods for securing services, supplies, or other property [7 CFR §3016.36(d)] provided that each procurement, regardless of amount, is conducted in a manner that ensures free and open competition. State and local agencies may set a lower small purchase threshold and thereby impose more restrictive procurement procedures as authorized by 7 CFR §3016.36(a), §3016.37(a), and §3016.60(a). Therefore, all State and local procurement requirements still apply.

As in the past, please share this information with your school food authorities.

Original Signed

Cynthia Long
Director
Child Nutrition Programs

¹ As per policy memo CACFP 09-2008 and SFSP 08-2008 the small purchase threshold for CACFP and SFSP programs is linked to 41 U.S.C. 403(11). Consequently, the above small purchase threshold now applies to all FNS programs.