

To: Authorized Representatives of Child Nutrition Programs: School Nutrition Program, Child and Adult Care Food Program, and Summer Food Service Program

From: Child and Adult Nutrition Services

Date: September 3, 2025

Subject: Child Nutrition Program Equipment Purchases

Memo Number: CACFP 241-3
CACFP DCH 241-3
SFSP 241-3
SNP 241-3

This memo explains the rules for purchasing kitchen equipment when you are using Child Nutrition Program funds to pay for the cost of the equipment. This memo applies to the federal Child Nutrition Programs: Child and Adult Care Food Program (CACFP), School Nutrition Programs (SNP), and Summer Food Service Program (SFSP). Please share this information with the people involved with purchasing kitchen equipment. If you have any questions, please contact the Child and Adult Nutrition Services (CANS) office.

Attached to this memo is a list of kitchen equipment that you may purchase without preapproval from the CANS office. Remember that any time federal funds or nonprofit food service funds are used to make a small or large purchase; competitive purchasing practices must be followed. If you wish to purchase something that is not on this list, the large equipment purchase procedures will explain the process.

Large Equipment Purchase Procedures

If you need to purchase equipment that is not on the approved list, **OR** if the equipment is on the list and the cost of that equipment is more than maximum amount allowed for these types of items, you must send the CANS office a written request to buy the equipment. Our office must approve the request before you may use Child Nutrition Program funds (or any funds in the nonprofit food service account) to pay for the cost of that equipment. The State agency's approval makes sure that the equipment purchase cost is a reasonable and necessary cost for the program.

The maximum amount allowed is determined by comparing your district or agency's 'cap' to the Federal 'cap'. You must use the smaller amount of those two numbers. These purchases are considered capital assets. The Federal cap for equipment (capital assets) is currently set at \$10,000. If your district/agency cap is lower than the Federal cap, then you must use the lower, district/agency cap.

In federal guidance, this cap is referred to as the "per unit capitalization threshold." The capitalization threshold is used to determine how that cost is reported financially. Equipment costs

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that fall below the cap are usually paid for with funds from the current program year. Costs that are above the cap are often paid for using program funds from different program years in amounts that are allowed following rules related to depreciation. Depreciation is a way of paying for items over a period of years based on the decreasing value of the item over time.

Resources and Guidance Materials: If you would like to learn more about this topic.

- Memo SP 39-2016; SFSP 13-2016; CACFP 11-2016 – State Agency Prior Approval Process for School Food Authority (SFA) Equipment Purchases
- Chapter 2 Code of Federal Regulations (2 CFR) 200.33 (Equipment)
 - defines “equipment” as tangible personal property (including information technology systems) having a useful life of one year or longer and a per-unit acquisition cost that equals or exceeds the lesser capitalization level established for financial statement purposes, \$10,000, or a lower threshold set by State or local level regulations.
- 2 CFR 200.439 – Equipment and other Capital Expenditures
- 2 CFR 200, Subpart E (Cost Principals)
- FNS Instruction 796-2 Revision 4 (Financial Management Instruction for the CACFP)
- FNS Instruction 794-4 (Financial Management Instruction for the SFSP)

Proper Purchase Rules and Reviews:

Proper federal, state, and local purchase rules must be followed any time federal funds or nonprofit food service funds are used to make a small or large purchase. Equipment purchases made using Child Nutrition Program or nonprofit food service funds will be looked at during your program review and audits.

As noted above, please contact the Child and Adult Nutrition Services (CANS) office at DOE.SchoolLunch@state.sd.us to request pre-approval, when necessary, or if you have any questions.

South Dakota Child Nutrition Program Approved Equipment List

Cold Food Tables
Cafeteria Breath/Sneeze Guard
Refrigerated Buffet Tables / Salad Bars
Countertop Equipment
Commercial Griddles
Hot Plates
Commercial Microwaves
Electric Food Slicers
Commercial Toasters
Induction Cookers
Commercial Food Processors
Commercial Food Blenders
Commercial Food Cutters
Refrigerated Prep Tables
Dishwasher-Sinks and Supplies
Under Counter Commercial Dishwasher
Conveyor Dishwashers
Door Type Commercial Dishwasher
Waste Disposal
Commercial Sinks
Water Heater Booster
Dish Tables
Commercial Food Mixers
Commercial Countertop Mixers
Floor Mixer
Commercial Food Processors
Vertical Cutter Mixer
Planetary Mixer
Freezers
Commercial Chest Freezers
Solid Door Reach-In Freezers
Worktop Freezers
Under Counter Freezers
Commercial Refrigerator/Freezer Dual Temp
Holding and Proofing Cabinets
Holding Cabinets, Stationary &/or Mobile
Proofing Cabinets
Low Temperature Holding Cabinet
Hot Food Storage Cabinets

Hospitality Carts
Tray Station
Tray Dispenser
Tray Truck
Tray Delivery Cart
Commercial Ice Machines - for Salad Bar
All types of Commercial Ranges and Ovens
Commercial Cooktops and Ranges
Commercial Convection Ovens
Cook and Hold Ovens
Tilting Skillet
Tilting Kettle
Kitchen Exhaust Systems
Retractable Exhaust
Refrigerators
Pass (Walk) Thru Refrigerators
Drop in Refrigerators
Solid Door Reach-in Refrigerators
Sandwich/Salad Prep Tables
Milk Coolers
Refrigerated Buffet Tables
Under Counter Refrigerators
Worktop Refrigerators
Commercial Refrigerator Freezer Dual Temp
Steam Tables
Electric Steam Tables
Gas Steam Tables
Steam Table Serving Shelf
Cafeteria Breath Guard
Commercial Steamer/pressure steamer
Double Stack Convection Steamer
Food Warmers
Countertop Food Warmers
Drawer Warmers
Soup Kettles
Drop-In Food Warmers
Commercial Work Tables
Enclosed Base Commercial Work Table
Poly Top Work Table
Stainless Steel Work Tables with Under Shelf
Dough Presses