**New Procurement Rule – Micro-purchases**

According to the new 2 CFR 200.67, micro-purchases can be utilized to minimize the administrative burden and cost of completing an informal or formal procurement process for very small purchases. Micro-purchases make it possible to make purchases in emergency situations to continue uninterrupted service. No informal quotes are required in micro-purchasing. Please keep in mind that with all procurement, the use of federal taxpayer dollars requires you to use funds to maximize free and open competition. Micro-purchases are not exempt from this requirement.

Micro-Purchases may be used when the following conditions are met:
• One aggregate transaction does not exceed $10,000
• Purchases are equitably distributed among qualified suppliers, your SFA should not use one single supplier for all micro-purchases
• Prices are reasonable

Micro-purchasing MAY NOT be used instead of required procurement methods.

Understanding the correct usage of Micro-purchases is critical to ensure that an SFA is not circumventing the proper procurement process.

Things to remember when using micro-purchasing are:
• The SFA must distribute micro-purchases between multiple suppliers to “share the wealth” as long as the price is considered reasonable.
• The items being purchased should be examined to see if purchasing them in a different manner could result in a better price. (Micro-purchasing may not be used when another procurement method may achieve a more economical approach).
• For example, you cannot purchase your weekly food supplies from one vendor all year long, as long as each of the weekly invoices do not exceed the micro-purchase threshold of $10,000. Using this example, the SFA must use an informal or formal procurement method to evaluate the best vendor. Micro-purchasing is meant to be used for smaller purchases that cannot otherwise be estimated for long term use over the school year.

Examples could be:
• The cooler went out overnight and some of your product is not safe to serve. An emergency trip to the local market is needed to purchase enough supplies to complete a menu until your vendor can restock your supply.
• Your vendor was unable to fulfill the quantity of a product you needed for the week, you are short but can obtain this product at a local business to fulfill what you need for the day/week.
• Spices and other low cost items used often but not purchased frequently in great quantity are items that work well using the micro-purchase method.
• Small farm to school or Fresh Fruit and Vegetable purchases can be appropriate for micro-purchases.