

**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:** May 1, 2019

**Subject:** Child Nutrition Program Equipment Purchases

**Memo Number:** CACFP 241-2  
CACFP DCH 241-2  
SFSP 241-2  
SNP 241-2

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 \$5,000. 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 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, \$5,000, 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](mailto: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

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

<b>Hospitality Carts</b>
Tray Station Tray Dispenser Tray Truck Tray Delivery Cart
<b>Commercial Ice Machines - for Salad Bar</b>
<b>All types of Commercial Ranges and Ovens</b>
Commercial Cooktops and Ranges Commercial Convection Ovens Cook and Hold Ovens Tilting Skillet Tilting Kettle Kitchen Exhaust Systems Retractable Exhaust
<b>Refrigerators</b>
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
<b>Steam Tables</b>
Electric Steam Tables Gas Steam Tables Steam Table Serving Shelf Cafeteria Breath Guard Commercial Steamer/pressure steamer Double Stack Convection Steamer
<b>Food Warmers</b>
Countertop Food Warmers Drawer Warmers Soup Kettles Drop-In Food Warmers
<b>Commercial Work Tables</b>
Enclosed Base Commercial Work Table Poly Top Work Table Stainless Steel work Tables with Under Shelf
<b>Dough Presses</b>