



Food and Nutrition Service

Park Office Center

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SUBJECT: Updates to the Federal Micro-Purchase Threshold in 2 CFR 200.320(a)(1)

TO: Regional Directors
Special Nutrition Programs
All Regions

State Directors
Child Nutrition Programs
All States

Issuing Agency/Office:	FNS/Child Nutrition Programs
Title of Document:	Updates to the Federal Micro-Purchase Threshold in 2 CFR 200.320(a)(1)
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Summary:	<p>(1) This memorandum notifies State agencies and Child Nutrition Program operators of the changes made by OMB to the Federal informal procurement method, micro-purchases, and the micro-purchase threshold in 2 CFR 200.320(a)(1)(i)-(v).</p> <p>(2) This memorandum applies to State agencies administering the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, and Summer Food Service Program, and to local operators of these Programs.</p> <p>(3) This memorandum relates to 2 CFR Part 200 and 7 CFR Parts 210, 220, 225, and 226.</p>

The Food and Nutrition Service (FNS) has received questions regarding changes made in November 2020 by the Office of Management and Budget (OMB) to the Federal informal procurement method, micro-purchases, and the micro-purchase threshold in government-wide regulations at [2 CFR 200.320\(a\)\(1\)\(i\)-\(v\)](#). The purpose of this guidance is to make State agencies and Program operators aware of regulatory changes made by OMB which they may utilize at their discretion. These changes may be helpful to Program operators experiencing challenges related to supply chain disruptions.

As a reminder, Federal procurement standards outlined in 2 CFR Part 200 apply government-wide to all State agencies and Program operators conducting procurement with Federal funds. These regulations fall under the purview of OMB and FNS is not able

to modify or waive these regulations. Additionally, State and local regulations will also apply to procurements made by State agencies and Program operators.

Micro-Purchase Distribution

Previously, government-wide regulations at 2 CFR 200.320(a) required that to the extent practicable, Program operators must distribute micro-purchases equitably among qualified suppliers. This language has been changed to state that to the maximum extent practicable, Program operators *should* distribute micro-purchases equitably among qualified suppliers (2 CFR 200.320(a)(1)(i)).

Micro-Purchase Awarded Without Competition

Government-wide regulations at 2 CFR 200.320(a) previously stated that micro-purchases may be awarded without soliciting competitive quotations if the State agency or Program operator considers the price to be reasonable. This language has been updated to state that micro-purchases may be awarded without soliciting competitive price or rate quotations, if the State agency or Program operator “considers the price to be reasonable based on research, experience, purchase history or other information and documents it files accordingly.” (2 CFR 200.320(a)(1)(ii)).

Micro-Purchase Thresholds

Government-wide regulations at 2 CFR Part 200 were updated to include new language around micro-purchase thresholds available to all State agencies and Program operators. These are outlined below.

Government-wide regulations at 2 CFR 200.320(a)(1)(iii) now provide that State agencies and Program operators are “responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures.” The regulations also provide that the micro-purchase threshold used “must be authorized or not prohibited under State, local, or tribal laws or regulations.” State agencies and Program operators may establish a micro-purchase threshold that is higher than the Federal threshold established in the Federal Acquisition Regulations (FAR), as outlined below.

Increases to the micro-purchase threshold up to \$50,000

Government-wide regulations at 2 CFR 200.320(a)(iv) provide that State agencies and Program operators may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation of such self-certification. State agencies and Program operators choosing to self-certify must prepare and include a justification for the choice. The self-certification must include a justification, clear indication of the threshold, and supporting documentation of any of the following:

1. A qualification as a low-risk auditee, in accordance with the criteria in 2 CFR 200.520;

2. An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or
3. For public institutions, a higher threshold consistent with State law.

As provided for in government-wide regulations at 2 CFR 200.320(a)(1)(v), in certain circumstances, Program operators and State agencies may request increases to the micro-purchase threshold over \$50,000 for indirect costs. State agencies may contact their FNS Regional Office for more information.

State agencies are reminded to distribute this memorandum to Program operators immediately. Program operators should direct any questions concerning this guidance to their State agency. State agencies with questions should contact the appropriate FNS Regional Office.

Sincerely,

For
Sarah Smith-Holmes
Division Director
Program Monitoring and Operational Support
Child Nutrition Programs