

BRINGING PROCUREMENT INTO FOCUS



**Procurement Procedures for
School Food Authorities**

FEDERAL PROCUREMENT REGULATIONS

Federal procurement regulations can be found in 2 CFR 200. Detailed guidance on these regulations can be found in the Administrator's Reference Manual located on [SquareMeals.org](https://www.squaremeals.org).



Planning for accuracy in operation and documentation is essential for quality procurement practices.

PROCUREMENT PROCEDURES

All Contracting Entities (CEs) must develop written procedures that establish their actions with regard to procurement for all situations.

- These procedures must include the internal controls that establish standards of ethical conduct and ensure open competition.
- These procedures must outline the financial management systems that promote program integrity and ensure appropriate use of program funds.
- These procedures must describe the methods for monitoring procurement processes.
 - CEs that meet the audit threshold must ensure their program funds are audited annually.





UPDATED MICRO-PURCHASE PROCEDURES

CEs have new flexibilities for micro-purchases — the acquisition or purchase of a product and/or service with an aggregate cost that does not exceed \$10,000 for each purchase.

The following guidance applies to making a micro-purchase:

Aggregate

An aggregate micro-purchase amount is the total cost of all products and services in a single procurement transactions.

Competitive Purchasing and/or Cost Comparison

Micro-purchases do not require the CE to solicit quotes, but the CE must document that the cost is reasonable.

Equitable Purchasing

Purchases must be distributed equitably among all suppliers, although rural CEs can document reasons why a remote location prevents them from meeting this requirement.

Routine Purchasing

Routine purchases must not be broken into smaller purchase amounts in order to qualify for micro-purchasing. However, if the CEs must make frequent purchases of the same item because of limited storage space or quantities needed, a micro-purchase is an allowable method of procuring the items. The CE must maintain documentation that demonstrates why micro-purchasing is the most suitable method for routine purchasing of the same product.

School Food Authorities are required to purchase, to the maximum extent practicable, domestic commodities or products (agricultural commodities that are produced in the U.S. and food products that are processed in the U.S. substantially [over 51% of the final processed product] using agricultural commodities produced in the U.S.). This Buy American provision supports the mission of the Child Nutrition Programs, which is to serve children nutritious meals and support American agriculture.

COLLABORATIVE COMPLIANCE

TDA will help Contracting Entities implement procurement regulations through:

- Reference materials on [SquareMeals.org](https://www.squaremeals.org)
- Updates in newsletters and emails
- Technical assistance during compliance monitoring

For additional information, please work with your regional Education Service Center for training and technical assistance.





The procurement process is designed to assist CEs in operating a financial management system that:

- Improves the stewardship of program funds
- Promotes full and open competition
- Prevents the inappropriate use of program funds

Procurement regulations emphasize the establishment of internal controls that promote:

- Effective and efficient operations
- Reliable internal and external reporting methods
- Compliance with applicable laws and regulations



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