

## Division of Community Nutrition

<i>Subject:</i> <b>Capital Expenditures, Equipment, Computer Purchase Requirements</b>		<i>Policy:</i> <b>ADM 03.8</b>
<i>Reference:</i> <b>CFR 3016.3, FNS Handbook 901, SFP 10-017, SFP 93-126</b>	<i>Effective:</i> <b>June 1, 2018</b>	<i>Supersedes:</i> <b>August 12, 2013</b>

### I. Policy:

All capital expenditures made utilizing allocated federal WIC funds shall be coordinated with the State WIC Office (SWO) in order to meet federal approval requirements and assures control of assets and inventory.

### II. Procedure(s):

- A. In general, computer purchases will be centralized at the SWO and made from central office funds. Purchase of any computer equipment or software utilizing Local Agency (LA) WIC funds requires prior written approval from the SWO.
- B. Purchases of capital assets, such as buildings, land, improvements to buildings or facilities that materially increase their useful life, renovations to buildings or facilities, real estate, or equipment using WIC funds with a total cost of more than \$1,000 require prior written approval from the SWO. A capital asset is an economic resource owned, whose use will yield a benefit to a State or LA over two or more fiscal years. Renovations are rearrangements, alterations, and restorations of real property to make it suitable for program use or make building space suitable specifically for the WIC program. The following are examples in their respective categories which could require prior written approval from the SWO:
  1. Capital Assets
    - 1) Furniture
    - 2) Cameras
    - 3) Office equipment
    - 4) Copiers
    - 5) Scanners
    - 6) Projectors
    - 7) Other peripherals for computers
  2. Renovations
    - a. New carpet (where none previously existed)
    - b. New floor tiles (where none previously existed)
    - c. Re-design of space to provide enhanced participation flow and confidentiality (remodeling)
- C. Purchases of capital assets, improvements to buildings or facilities that materially increase their useful life, repairs or renovations to buildings or facilities costing more than \$5,000, require prior written approval from USDA Food and Nutrition Service

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(FNS). Leases of capital assets costing more than \$5,000 require prior written approval from the SWO. Purchases of equipment costing more than \$25,000 require prior written approval from USDA FNS. The LA shall contact their assigned SWO Fiscal Monitoring Liaison when seeking approval from USDA FNS.

- D. Maintenance, a non-capital expense and is the process of keeping capital assets, such as buildings and equipment, in a state of good repair, costing more than \$1,000, requires notification of its cost and scope to the SWO within thirty (30) days of its purchase. This includes preventive maintenance and upkeep, routine repairs and alterations, activities to restore existing capital assets to their former, serviceable condition by replacing parts, putting together broken components, and other activities needed to maintain the property. Examples include the following:
1. Painting
  2. Carpet and floor cleaning
  3. Repairs of equipment or fixtures
- E. Purchases of capital assets with a total cost of less than \$1,000, but with a useful life greater than two fiscal years shall be reported in writing to the SWO within thirty (30) days of its purchase. Examples include the following:
1. Hemocue machines
  2. TV(s)
  3. VCR Players
  4. DVD Players
  5. Scales
  6. Cameras
  7. Furniture
  8. Scanners
  9. Laminators
  10. Office equipment
- F. For items requiring pre-approval, LA's shall submit a written justification for the purchase along with a copy of the purchase requisition to the designated state Fiscal Monitoring Liaison prior to purchase. LA's will receive written approval or denial in response to all requests. If the purchase requires USDA FNS prior written approval, this shall be obtained by the SWO prior to responding to the LA. Documentation of request for prior written approval shall be kept at the LA for State audit purposes and SWO on-site State Technical Assistance Review (STAR) reviews.

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1. For items requiring subsequent notification, the state LA shall send a copy of the purchase order and invoice to the designated state Fiscal Monitoring Liaison. If USDA FNS requires notification, the SWO shall handle this procedure. Copies of the approval or disapproval notification shall be kept at the LA level for State audit purposes and WIC on-site STAR reviews.