

How to Complete the Capital Expenditure Pre-Approval Request Form



Health and Nutrition Services
Arizona Department of Education





Disclaimer

This training was developed by the Arizona Department of Education (ADE) Health and Nutrition Services Division (HNS). The content in this training is intended for professionals operating one or more USDA Child Nutrition Programs in Arizona under the direction of ADE. The information in this training is subject to change. Attendees are encouraged to access professional development materials directly from the training library to prevent use of outdated content.

Intended Audience

This training is intended for **School Food Authorities (SFAs) operating the National School Lunch Program (NSLP)**. All regulations are specific to operating the NSLP under the direction of ADE.

Objectives

At the end of this training, attendees should be able to:

- identify capital equipment items;
- know Arizona's capitalization threshold for purchasing equipment items;
- be familiar with ADE's Pre-Approved Capital Equipment List; and
- locate and properly complete the Capital Expenditure Pre-Approval Request Form.

TRAINING HOURS

Information to include when documenting this training for Professional Standards:

Training Title: How to Complete the Capital Expenditure Pre-Approval Request Form

Key Area: 3000 - Administration

Learning Code: 3360

Length: 15 minutes



The instruction within this How-To Guide is based on guidance from the Code of Federal Regulation (CFR), Title 2 CFR 200.439, Equipment and other capital expenditures.

It is recommended to review these regulations in addition to reviewing this course for complete guidance on requirements for purchasing capital equipment with nonprofit school food service account funds.

[Click here to access the Code of Federal Regulations.](#)

Definitions

Acquisition Cost

The cost of an asset, including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, is the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.

Equipment

Tangible property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the \$5,000 threshold.

Federal Awarding Agency

The Federal agency that provides a Federal award directly to a non-Federal entity.

Non-Federal Entity

A state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

Nonprofit School Food Service Account (NSFSA)

The restricted account in which the revenue from all food service operations conducted by the SFA, principally for the benefit of school children, is retained and used only for the operation or improvement of the nonprofit school food service. This account shall include, as appropriate, non-Federal funds used to support paid lunches as provided in §210.14(e) and proceeds from nonprogram foods as provided in §210.14(f).

School Food Authority (SFA)

The governing body which is responsible for the administration of one or more schools and has the legal authority to operate the Child Nutrition Programs (CNPs). The SFA is responsible for maintaining the nonprofit school food service account and observing the requirements for and limitations on the use of nonprofit school food service revenues.

Quiz Time



Throughout this guide, there will be comprehension quiz questions to test your knowledge and help you apply what you're learning. Be sure to review these quiz questions and answers available within the guide.

The question mark icon below will indicate a comprehension quiz question.



Table of Contents

Section 1: Capital Equipment Requirements	8-15
Section 2: Capital Expenditure Pre-Approval Request Form	16-23
Section 3: Submitting the Capital Expenditure Pre-Approval Request Form	24-26

Capital Equipment Requirements

SECTION 1



Capital Equipment Requirements

STATE AGENCY APPROVAL

Equipment is defined as a tangible property that has a useful life of one year or longer.

Equipment is identified as a capital asset; therefore, it has been made a Federal requirement that SFAs obtain written approval by ADE prior to purchasing capital equipment that has a per-unit acquisition cost that equals or exceeds \$5,000.

Capital Equipment Requirements

CRITERIA FOR CAPITAL EQUIPMENT

Purchases that meet the following criteria are considered capital equipment:

- Lasts more than one year
- Typically repaired rather than replaced when worn down or damaged
- Independent unit rather than being incorporated into another unit item
- Exceeds minimum dollar value mandated by the state or other governmental unit (capitalization threshold)

Quiz Time

What action must an SFA take prior to purchasing three Grab 'N' Go carts for breakfast that have a per-unit cost of \$3,000?

- A** Nothing because the per-unit cost of the item is less than \$5,000.
- B** The SFA must request pre-approval because this is considered an equipment item.
- C** The SFA is not allowed to purchase this type of equipment regardless of the cost.



Quiz Time

What action must an SFA take prior to purchasing three Grab 'N' Go carts for breakfast that have a per-unit cost of \$3,000?

- A** Nothing because the per-unit cost of the item is less than \$5,000.
- B** The SFA must request pre-approval because this is considered an equipment item.
- C** The SFA is not allowed to purchase this type of equipment regardless of the cost.

The SFA is not required to request pre-approval from ADE unless the equipment's per-unit cost is \$5,000 or more. In this scenario, the SFA can make these purchases without notifying ADE.



Capital Equipment Requirements

PRE-APPROVAL CAPITAL EQUIPMENT LIST

When an SFA purchases capital equipment, they are essentially making that purchase prior to receiving any benefit from that asset, which means the purchase is a greater risk.

Due to this risk, ADE is responsible for assuring that the asset's acquisition cost is necessary for program purposes and that the NSFSA can absorb the cost.

ADE has created the Pre-Approved Capital Equipment List to reduce administrative burden and quicken the approval process. This list contains equipment items that can be purchased by SFAs without ADE approval regardless of whether the equipment’s per-unit cost exceeds \$5,000.



Pre-Approved Capital Equipment List

USDA (WRO) approved 10/25/18

Any equipment selected from this Food and Nutrition Service (FNS) approved equipment list is automatically approved by the Arizona Department of Education (ADE) Health and Nutrition Services (HNS). School Food Authorities (SFAs) may purchase these equipment items, following proper Federal, state, or local procurement procedures, as applicable, without submitting a Capital Expenditure Pre-Approval Request Form to HNS.

SFAs choosing to purchase equipment that was not included on this FNS-approved list must complete and submit a Capital Expenditure Pre-Approval Request Form to HNS for approval prior to purchasing the equipment as required by 2 CFR 200.439. The Capital Expenditure Pre-Approval Request Form is located on the HNS webpage under the Financial Forms and Instructions header at <http://www.azed.gov/hns/nsjp/forms/>.

During an administrative review, as required by 7 CFR Part 210.18, and procurement audits, as required by 2 CFR 200.501, HNS must ensure appropriate equipment purchases were made based on either the approved equipment list or the State agency prior approval process. If any equipment purchases are identified as unallowable, HNS may disallow these purchases and require the SFA to replenish the nonprofit school food service account as appropriate.

Pre-Approved Capital Equipment

Braisers/Tilting Skillet	Range/Oven Combo
Cash Registers/POS Hardware (software requires prior ADE approval)	Reach-in Coolers (walk-in requires prior ADE approval)
Dishwasher	Reach-in Freezers (walk-in requires prior ADE approval)
Dough Divider/Bun Cutter	Refrigerated Prep Tables
Dough Roller/Sheeter	Serving Line: Refrigerated/heated, including serving shelf/guards
Food Processors/Cutters	Slicers
Holding/Proofing Cabinets: Stationary and/or Mobile	Steam Tables
Merchandise (glass-sided or open front refrigerator for displaying food or beverages)	Steamers
Milk Coolers	Storage Racks
Mixers	Stovetops
Oven, Combi Oven	Vehicle to transport food
Oven, Convection, Electric, or Gas	Vertical Cutter Mixer
Oven, Conveyor or Impinger	Warmers, Countertop, and Drawers

June 2023 | Health and Nutrition Services | Arizona Department of Education | This institution is an equal opportunity provider.

[Pre-Approved Capital Equipment List](#)

Capital Equipment Requirements

PRE-APPROVAL EQUIPMENT

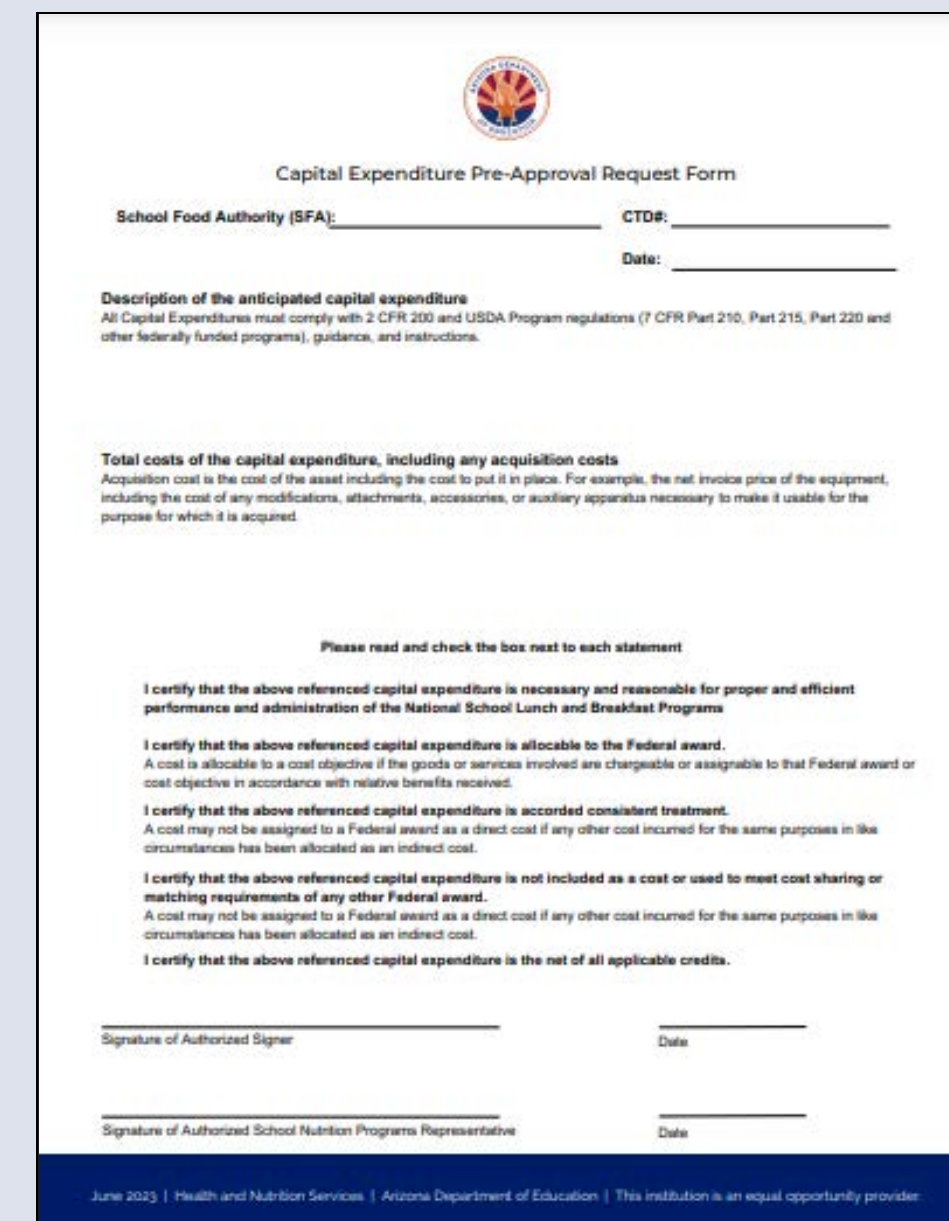
Prior to requesting approval for capital equipment purchases, SFAs should review the list shown below to see if the equipment that they would like to purchase has already been pre-approved. SFAs may purchase these items following proper procurement procedures, as applicable.

Pre-Approval Equipment	
• Braising and Tilting Skillet • Cash Registers/POS Hardware (software requires prior ADE approval) • Dishwasher • Dough Divider/Bun Cutter • Dough Roller/Sheeter • Food Processors/Cutters • Holding/Proofing Cabinets, Stationary and/or Mobile • Merchandiser (glass-sided or open front refrigerator for displaying food/beverages) • Milk Coolers • Mixers • Oven, Combi Oven	• Oven, Convention, Electric or Gas • Oven, Conveyer or Impinger • Range/Oven Combo • Reach-in Coolers (walk-in requires ADE approval) • Reach-in Freezers (walk-in requires ADE approval) • Serving line (refrigerated/heated, including serving shelf/guard) • Slicers • Steam Tables • Steamers • Storage Racks • Stovetops • Vehicle to Transport Food • Vertical Cutter Mixer • Warmer (countertop and drawers)

Capital Equipment Requirements

EQUIPMENT NOT INCLUDED ON THE PRE-APPROVAL LIST

If an SFA would like to purchase capital equipment that is not included on the Pre-Approved Capital Equipment List, a request for approval must be submitted by the SFA to their assigned Health and Nutrition Services (HNS) Specialist using the Capital Expenditure Pre-Approval Request Form prior to purchasing the equipment.



The form is titled "Capital Expenditure Pre-Approval Request Form" and features the Arizona Department of Education logo at the top. It includes fields for "School Food Authority (SFA)", "CTD#", and "Date". A section titled "Description of the anticipated capital expenditure" states that all capital expenditures must comply with 2 CFR 200 and USDA Program regulations (7 CFR Part 210, Part 215, Part 220 and other federally funded programs), guidance, and instructions. A section titled "Total costs of the capital expenditure, including any acquisition costs" defines acquisition cost as the cost of the asset including the cost to put it in place, such as the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. A section titled "Please read and check the box next to each statement" contains five statements for certification, each with a checkbox. The statements are: 1. "I certify that the above referenced capital expenditure is necessary and reasonable for proper and efficient performance and administration of the National School Lunch and Breakfast Programs." 2. "I certify that the above referenced capital expenditure is allocable to the Federal award." 3. "I certify that the above referenced capital expenditure is accorded consistent treatment." 4. "I certify that the above referenced capital expenditure is not included as a cost or used to meet cost sharing or matching requirements of any other Federal award." 5. "I certify that the above referenced capital expenditure is the net of all applicable credits." Below these statements are two signature lines: "Signature of Authorized Signer" and "Signature of Authorized School Nutrition Programs Representative", each with a corresponding "Date" field. At the bottom, a footer states "June 2023 | Health and Nutrition Services | Arizona Department of Education | This institution is an equal opportunity provider."

Capital Expenditure Pre-Approval Request Form

School Food Authority (SFA): _____ CTD#: _____
Date: _____

Description of the anticipated capital expenditure
All Capital Expenditures must comply with 2 CFR 200 and USDA Program regulations (7 CFR Part 210, Part 215, Part 220 and other federally funded programs), guidance, and instructions.

Total costs of the capital expenditure, including any acquisition costs
Acquisition cost is the cost of the asset including the cost to put it in place. For example, the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.

Please read and check the box next to each statement

I certify that the above referenced capital expenditure is necessary and reasonable for proper and efficient performance and administration of the National School Lunch and Breakfast Programs ☐

I certify that the above referenced capital expenditure is allocable to the Federal award.
A cost is allocable to a cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. ☐

I certify that the above referenced capital expenditure is accorded consistent treatment.
A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purposes in like circumstances has been allocated as an indirect cost. ☐

I certify that the above referenced capital expenditure is not included as a cost or used to meet cost sharing or matching requirements of any other Federal award.
A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purposes in like circumstances has been allocated as an indirect cost. ☐

I certify that the above referenced capital expenditure is the net of all applicable credits. ☐

Signature of Authorized Signer _____ Date _____
Signature of Authorized School Nutrition Programs Representative _____ Date _____

June 2023 | Health and Nutrition Services | Arizona Department of Education | This institution is an equal opportunity provider.

Capital Expenditure Pre-Approval Request Form

Capital Equipment Pre-Approval Request Form

SECTION 2



Capital Expenditure Pre-Approval Request Form

REQUESTING PRE-APPROVAL

The Capital Expenditure Pre-Approval Request Form is required to be submitted and approved by the SFA's assigned HNS Specialist prior to the purchase of capital equipment to ensure it is an unallowable cost.

A purchase can be found unallowable for the NSFSA if it is not necessary or reasonable for the operation or the improvement of the CNP.

School districts must understand that revenues received by the NSFSA are to be used only for the operation or improvement of the CNP.

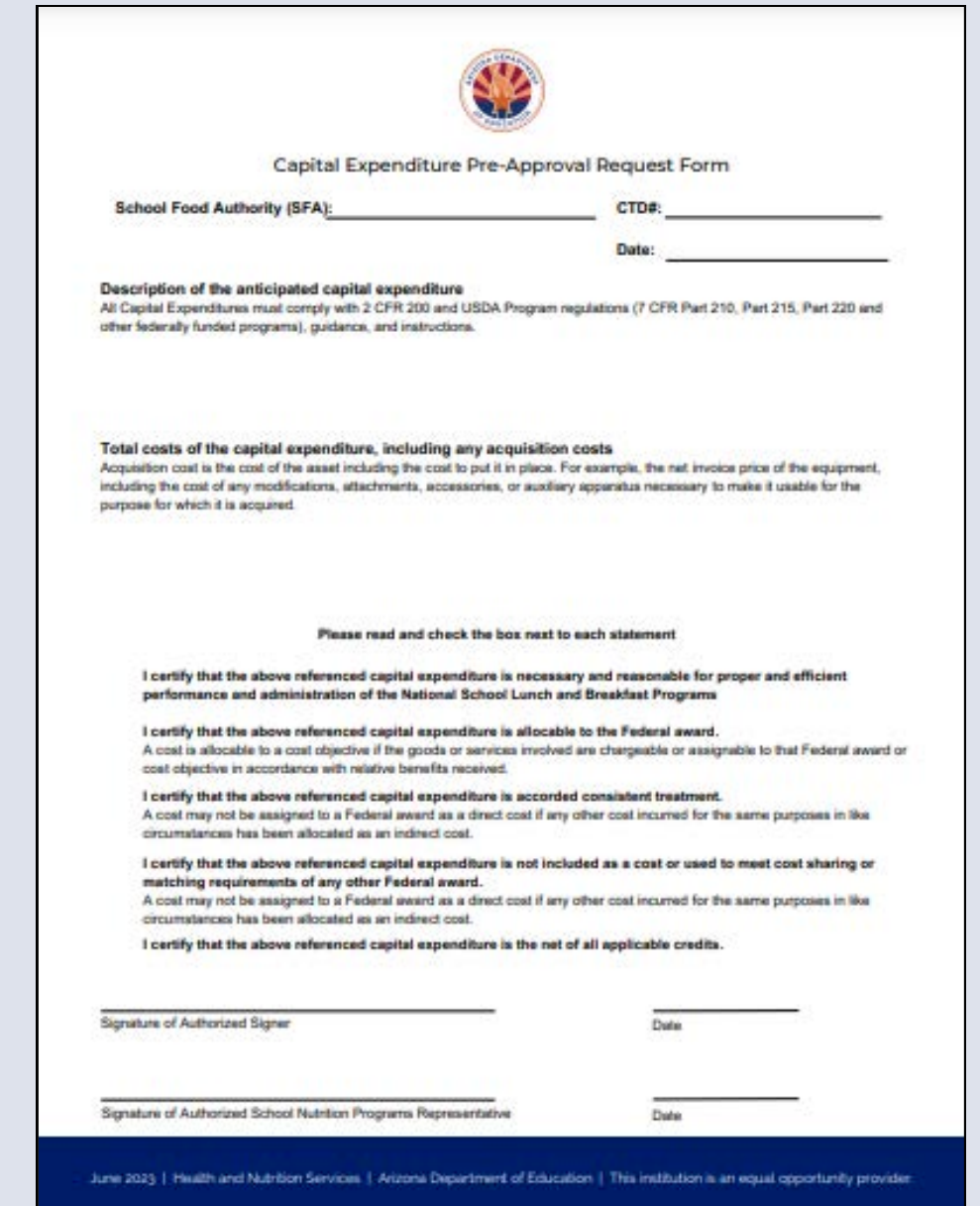
- These funds cannot be used to purchase land or buildings, or to construct buildings.

Capital Expenditure Pre-Approval Request Form

BEGINNING THE FORM

The remainder of this training will provide you with instruction on how to properly complete the Capital Expenditure Pre-Approval Request Form. To best understand how to complete the Capital Expenditure Pre-Approval Request Form, it is recommended to print or have the form displayed on your desktop while reviewing the following slides.

- Click [here](#) to access the Capital Expenditure Pre-Approval Request Form.



The image shows the Capital Expenditure Pre-Approval Request Form. At the top is the Arizona Department of Education logo. Below it is the title "Capital Expenditure Pre-Approval Request Form". There are fields for "School Food Authority (SFA)", "CTD#", and "Date". A section titled "Description of the anticipated capital expenditure" includes a note that all capital expenditures must comply with 2 CFR 200 and USDA Program regulations. Another section titled "Total costs of the capital expenditure, including any acquisition costs" defines acquisition cost. A section titled "Please read and check the box next to each statement" contains five statements for certification, each with a checkbox. At the bottom, there are signature lines for the "Authorized Signer" and "Authorized School Nutrition Programs Representative", each with a corresponding date line. The footer includes the date "June 2023", the organization "Health and Nutrition Services | Arizona Department of Education", and a statement "This institution is an equal opportunity provider."

[Capital Expenditure Pre-Approval Request Form](#)

Capital Expenditure Pre-Approval Request Form

COMPLETE THE HEADER

The first step to completing the Capital Expenditure Pre-Approval Request Form is to input the name and CTD# of the SFA and the date the form is being completed.

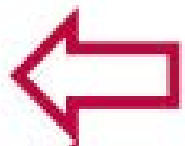


Capital Expenditure Pre-Approval Request Form

School Food Authority (SFA):

CTD#:

Date:



Capital Expenditure Pre-Approval Request Form

DESCRIPTION OF THE ANTICIPATED CAPITAL EXPENDITURE

The first box is where the SFA is required to write a detailed description of the equipment item(s) to be purchased, an explanation of how the purchase of this equipment will benefit the food service program, and any additional information necessary to assist ADE in making an approval decision.

Description of the anticipated capital expenditure

All Capital Expenditures must comply with 2 CFR 200 and USDA Program regulations (7 CFR Part 210, Part 215, Part 220 and other federally funded programs), guidance, and instructions.



Capital Expenditure Pre-Approval Request Form

TOTAL COST OF THE CAPITAL EXPENDITURES

The second box is where the SFA will include the per-unit cost of the item and all acquisitions costs that are necessary to make the item usable for the purpose of the purchase. For example, installation fees and taxes.

- Please include the total amount that will be charged to the NSFSA.



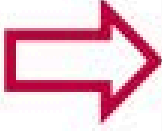
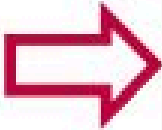
Total costs of the capital expenditure, including any acquisition costs

Acquisition cost is the cost of the asset including the cost to put it in place. For example, the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.

Capital Expenditure Pre-Approval Request Form

CERTIFYING THE FORM

Prior to completing the form, the SFA must read and certify that all information provided is true and all purchases are allowable for the NSFSA.



Please read and check the box next to each statement

☐

I certify that the above referenced capital expenditure is necessary and reasonable for proper and efficient performance and administration of the National School Lunch and Breakfast Programs

☐

I certify that the above referenced capital expenditure is allocable to the Federal award.

A cost is allocable to a cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.

☐

I certify that the above referenced capital expenditure is accorded consistent treatment.

A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purposes in like circumstances has been allocated as an indirect cost.

☐

I certify that the above referenced capital expenditure is not included as a cost or used to meet cost sharing or matching requirements of any other Federal award.

A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purposes in like circumstances has been allocated as an indirect cost.

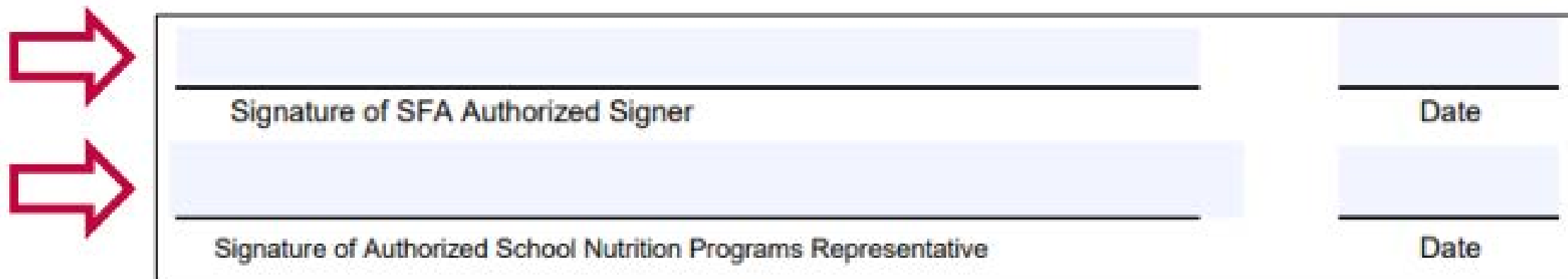
☐

I certify that the above referenced capital expenditure is the net of all applicable credits.

Capital Expenditure Pre-Approval Request Form

SIGNING THE FORM

When requesting pre-approval, an authorized signer, as listed on your Food Program Permanent Service Agreement (FPPSA), must sign and date the Capital Expenditure Pre-Approval Request Form. Ensure that an authorized signer signs and dates only the first signature field; the bottom field should be left blank for your assigned HNS Specialist to sign for approval.



 	Signature of SFA Authorized Signer	Date
	Signature of Authorized School Nutrition Programs Representative	Date

Submitting the Capital Expenditure Pre-Approval Request Form

SECTION 3



Submitting the Capital Expenditure Pre-Approval Request Form

AUTHORIZED SIGNING AND FORM SUBMISSION

Once the Capital Expenditure Pre-Approval Request Form has been completed and signed, the SFA must then email their assigned HNS Specialist requesting approval and attach their completed Capital Expenditure Pre-Approval Request Form to the email.

Submitting the Capital Expenditure Pre-Approval Request Form

AUTHORIZED SIGNING AND FORM SUBMISSION IN ADE HELPDESK

Once the Capital Expenditure Pre-Approval Request Form has been completed and signed, the SFA must submit the form to ADE HelpDesk.

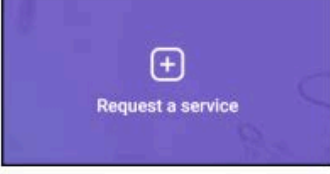
Once submitted, it will be reviewed by the SFA's assigned HNS Specialist.

 **Connect with HNS using the HelpDesk**
This resource outlines the steps for connecting with ADE HNS using the HelpDesk.

The Arizona Department of Education (ADE) Health and Nutrition Services (HNS) uses the ticketing system, HelpDesk, to receive, track, and respond to requests for various types of assistance. Child Nutrition Program Operators are encouraged to use HelpDesk when needing assistance from HNS. Unlike individual email-based requests, the HelpDesk provides the opportunity to be routed to the most appropriate staff member. Additionally, HelpDesk allows the requester, responder, and management visibility to the request status, ongoing communications, and notifications related to the request. Follow the steps listed below to connect with HNS using the HelpDesk. **The HelpDesk is part of the ADEConnect. Those who do not have an ADEConnect account will be prompted to create one.**

CREATING A HELPDESK TICKET

- 1 Open a web-browser and navigate to <https://helpdesk.azed.gov/>

- 2 Click the icon for 'Request a Service'

- 3 Locate and click 'Health and Nutrition Services'

- 4 Select the template* from the dropdown that most closely matches your need(s) to raise your request

*HNS is expanding the templates available in the Service Request Catalog. Select the most appropriate template available at the time of the request.
- 5 Complete all required and applicable optional fields,* including attachments. Disregard fields that cannot be edited.

*Providing a detailed request will help it to be routed to the appropriate staff member.
- 6 Once the request template is complete with as many details as possible, click 'Add Request'


July 2024 | Health and Nutrition Services | Arizona Department of Education | This institution is an equal opportunity provider.

Resource: [Connect with HNS using the HelpDesk](#)

Submitting the Capital Expenditure Pre-Approval Request Form

APPROVAL

Once the Capital Expenditure Pre-Approval Request Form has been approved by your assigned HNS Specialist, please keep this approval as well as any backup documentation utilized to support that the purchase of the capital expenditure was allowable.

The approved Capital Expenditure Pre-Approval Request Form must be kept on file for a minimum of five years. All documentation utilized to support the approval must be readily available as it may be requested during an Administrative Review

CONTACT US

If you have a question or require additional assistance, please contact your assigned specialist or contact HNS.



602-542-8700



ContactHNS@azed.gov



www.azed.gov/hns





Congratulations

You have completed the Online Course:
How to Complete the Capital Expenditure Pre-Approval Request Form

Information to include when documenting this training for Professional Standards:

Training Title:
**How to Complete the
Capital Expenditure Pre-
Approval Request Form**

Key Area: 3000 – Administration
Learning Code: 3360
Length: 15 minutes

Please note, attendees must document the amount of training hours indicated on the training despite the amount of time it takes to complete it.

Certificate

Requesting a training certificate

Please click the button to complete a brief survey about this online training. Once the survey is complete, you will be able to print your certificate of completion from Survey Monkey.



Information to include when documenting this training for Professional Standards:

Training Title:

**How to Complete the
Capital Expenditure Pre-
Approval Request Form**

Key Area: 3000 – Administration

Learning Code: 3360

Length: 15 minutes

Please note, attendees must document the amount of training hours indicated on the training despite the amount of time it takes to complete it.





In accordance with federal civil rights law and USDA civil rights regulations and policies, the USDA, its agencies, offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the state or local agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, [AD-3027](#), found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

1. **Mail:** U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Mail Stop 9410, Washington, D.C. 20250-9410;
2. **Fax:** (202) 690-7442; or
3. **Email:** program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.