

Micro-Purchasing in the CACFP

**CACFP iTrain
Simple Lesson Plan**

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EXECUTIVE DIRECTOR
Aleshia Hall-Campbell, Ph, MPH



Intended Audience: CACFP personnel and other child care staff

Description: This lesson explains the process of micro-purchasing for CACFP.

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Institute of Child Nutrition The University of Mississippi

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2. Fax: (202) 690-7442; or
3. Email: program.intake@usda.gov

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Contributing Content Specialists

Danielle Barrett, EdD, RD
ICN ET Specialist

Lutina Cochran, MS, PDS
Assistant Director of Education

L. Janae Owens, MS, CHES
ICN ET Specialist

Lesson-at-a-Glance

Time	Topic	Activity	Materials
Introduction			
5 minutes	▶ Introduction and Overview		▶ PowerPoint slide deck ▶ Computer ▶ Pens or Pencils
Objective: Apply the three standards for using the micro-purchasing method when procuring goods and services in the CACFP.			
15 minutes	▶ Micro-Purchases ▶ Standard 1: Reasonable Price ▶ Standard 2: Share the Wealth ▶ Standard 3: Documentation	▶ Micro-Purchasing Activity	▶ Worksheet: Micro-Purchase ▶ Answer Key: Micro-Purchase Scenario
Conclusion			
10 minutes	▶ Lesson Summary ▶ Training Evaluation	▶ Speed Action Planning ▶ Training Evaluation (Optional)	▶ Worksheet: Speed Action Planning ▶ Optional: Training Evaluation & Training Certificate
Total Time: 30 minutes			

References

U.S. Department of Agriculture, Food and Nutrition Service. (2019). *Federal micro-purchase and simplified acquisition thresholds*. <https://www.fns.usda.gov/cn/federal-micro-purchase-and-simplified-acquisition-thresholds>

Internet Resources

- ▶ Institute of Child Nutrition: www.theicn.org
- ▶ USDA's Team Nutrition: www.fns.usda.gov/tn

Preparation Checklist

Instructions: Use the Preparation Checklist to prepare for the training session. Keep track of your progress by checking off tasks as they are completed.

Done <input checked="" type="checkbox"/>	Lesson Tasks
Gather Materials	
<input type="checkbox"/>	▶ Training Script
<input type="checkbox"/>	▶ Computer and Projector Screen
<input type="checkbox"/>	▶ Worksheets and Handouts: <ul style="list-style-type: none"> • Micro-Purchase Scenario worksheet • Micro-Purchase Scenario answer key
<input type="checkbox"/>	▶ Pens or pencils (one per participant)
<input type="checkbox"/>	▶ Optional: Training Certificate/Evaluation/Feedback Form (one per participant)
Prepare for Lesson	
Before the training day:	
<input type="checkbox"/>	▶ Review the training script and research any relevant State or local requirements. <ul style="list-style-type: none"> • The content reflects the Federal regulations and/or national best practices or standards. However, it's essential to include any additional State or local requirements when presenting this training.
<input type="checkbox"/>	▶ Make enough copies of the handouts for each participant.
<input type="checkbox"/>	▶ Test the PowerPoint on the computer and projector screen.
<input type="checkbox"/>	▶ Optional: Develop and print a session certificate/evaluation/feedback form (one per participant).
On the training day:	
<input type="checkbox"/>	▶ Place pens or pencils on tables (one per participant).
<input type="checkbox"/>	▶ Distribute materials to each participant.
On the instructor's table:	
<input type="checkbox"/>	▶ Training Script
<input type="checkbox"/>	▶ Instructor's copy of handouts and/or worksheets
<input type="checkbox"/>	▶ Optional: Session Evaluation/Feedback Forms

Training Script

Instructor’s Note: Each section below has an accompanying slide(s). Review and share the content for each PowerPoint slide.

<p>Introduction</p>
<p>Welcome!</p> <p>Complete the following tasks:</p> <ul style="list-style-type: none"> ▶ Distribute handouts to the participants. ▶ Welcome the participants to the training. ▶ Introduce yourself to the participants. Allow participants to introduce themselves by sharing their name and one thing they would like to get from this training.
<p>Review Current Knowledge</p> <p>Ask posing questions: When you hear the term micro-purchase, what comes to mind?</p> <p>Say: As you mentioned, there are many ways that one might describe it.</p>
<p>Overview</p> <p>Share core content: Micro-purchasing is a procurement method for buying goods and services using federal child nutrition dollars. This method is one of the easiest and most common for those operating the Child and Adult Care Food Program (CACFP). It typically allows for minimum documentation and less administrative burden when compared to other procurement methods.</p> <p>Throughout this training, you will learn about three standards for using the micro-purchasing method to purchase goods and services. Being aware of these standards will allow you to make the best use of Federal funds while meeting program requirements in your CACFP setting.</p>
<p>Objective: Apply the three standards for using the micro-purchasing method when procuring goods and services in the CACFP.</p>
<p>Micro-Purchases</p> <p>Ask posing question: What is the threshold for micro-purchases?</p> <p>Share core content: According to the federal regulations, micro-purchase is defined as a purchase of goods or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold of \$10,000.</p> <p>In other words, a micro-purchase is a single transaction that costs \$10,000 or below. Another way to look at this is if you purchase a number of items at one time and the total is less than \$10,000, this is considered a micro-purchase.</p> <p>The threshold is set by the Federal government, and it can be found in 7CFR 200.320(a) of the Code of Federal Regulations. It’s important to note, States may set a lower threshold than \$10,000. Always check with your State agency or other regulatory agency to determine the latest requirements before making purchases.</p>

<p>Micro-Purchase Examples</p> <p>Share core content: Let us explore some examples of micro-purchasing. Suppose you need copy paper and ink cartridges to print menus. You purchase these items at a local office supply store and the total amount of your purchase is \$150. This purchase is an example of a micro-purchase. You spent less than \$10,000 in a single transaction.</p> <p>On the same day, you also needed cleaning supplies and napkins. You purchase the cleaning supplies and napkins for \$200. This purchase would also be an example of a micro-purchase because you spent less than \$10,000 in this transaction.</p>
<p>Standard 1: Reasonable Price</p> <p>Share core content: The first standard for micro-purchases is that they must be reasonably priced. There are a number of ways to determine the reasonableness of a price. Some examples include comparing prices to previous purchases, applying personal knowledge of the item when determining reasonableness, and comparing similar items being purchased. It is best practice to consider the most economical approach when making purchases.</p> <p>States may also determine other measures for determining reasonableness of a price.</p>
<p>Reasonable Price Example</p> <p>Share core content: Let us say that last week you purchased infant formula from Grocery Store A for \$300; and this week, you are shopping at Grocery Store B. They have the same amount of infant formula for \$325. This would be a reasonable price because you can compare it to your knowledge of a previous, similar purchase. If this same amount of formula were \$600 instead of \$325, then this would not be considered reasonable.</p> <p>Another example is you need to purchase a range oven. Your local store has it for \$800. Another store has the range for \$700, but it is 65 miles away. Although lower in cost, it is likely not reasonable when you factor in the distance.</p> <p>Although price comparison is not required, always consider ways to be more economical. For example, we might want to consider buying items that are non-perishable in larger quantities (canned food items) and those that are perishable (eggs and dairy) in smaller quantities.</p>
<p>Standard 2: Share the Wealth</p> <p>Share core content: The second standard calls for you to Share the Wealth. This means you must purchase from various sources to ensure everyone will have the opportunity to earn your business. In other words, you cannot make all purchases from one vendor; you must rotate purchases from all qualified vendors equally. It would be best to keep a list of stores that are available in the area.</p> <p>However, if you are unable to share the wealth because there is only one store in your area, it may not be reasonable to drive a long distance to purchase goods. In this case, contact your State agency for guidance.</p>

<p>Share the Wealth Example</p> <p>Share core content: Suppose you need to purchase fresh tomatoes, milk, and cleaning supplies. You purchase fresh tomatoes from the local farmer's market, milk from the local grocery store, and paper products from a local discount store. This is an example of Sharing the Wealth. You have given several different vendors your business.</p>
<p>Standard 3: Documentation</p> <p>Share core content: The last standard calls for you to document each purchase by keeping all receipts. Maintain this information on file in order to demonstrate that you have met the requirements of reasonable price and spreading the wealth.</p> <p>You must keep records for at least three years. Receipts should include the vendor's name, address, date of purchase, items, amount, and unit price. Your State may require additional documentation requirements. Always refer to your State agency or other regulatory agency to determine the latest requirements before making purchases.</p>
<p>Documentation Example</p> <p>Share core content: Suppose you have just returned from a shopping trip where you purchased fresh tomatoes, milk, and cleaning supplies. You take the receipts from each separate transaction and file them away in a binder or hanging file folder. You might consider what organization style works best for you. You could keep receipts together by type of purchase (fresh produce, milk/dairy, etc.) or you might want to organize receipts by month. Whatever system works best for you is what is important.</p>
<p>Activity: Making Micro-Purchases Time: 5–10 minutes</p> <ul style="list-style-type: none"> ▶ Purpose: The purpose of this activity is to recall and apply the three standards for making micro-purchases. ▶ Materials Needed: Micro-Purchase Scenario worksheet and pencils ▶ Instructions: Distribute the Micro-Purchasing Worksheet. Read the following to the participants: Shawn is a child care director at a mid-size facility. On the 3rd of each month, he purchases all food and supplies from a single grocery store. He believes each purchase averages \$10,519, but he is not certain because he has misplaced the four receipts. Sadly, Shawn is not following the requirements for micro-purchasing. Instruct participants to get into groups and discuss some things Shawn could do differently to meet the micro-purchasing standards. Then, list those actions on the worksheet. Allow groups 5 minutes to discuss this scenario. Then, ask each group to share their responses. All responses should relate to the following three standards: purchasing from multiple sources, spending less than \$10,000 per transaction, maintaining documentation for each purchase and source.

Conclusion
<p>Lesson Conclusion</p> <p>Share core content: Remember to always follow the three standards to ensure your micro-purchases comply with the regulations: Standard 1: The price paid must be reasonable. Standard 2: You must purchase from various sources to ensure everyone will have the opportunity to earn your business. Standard 3: You must document to ensure compliance.</p> <p>Ask posing question: What questions do you have concerning micro-purchasing?</p>
<p>Activity: Speed Action Planning Time: 5 minutes</p> <p>▶ Purpose: The purpose of this activity is to establish future steps for applying the information in their workplace.</p> <p>▶ Materials Needed: Speed Action Planning worksheet, Planner or Cell Phone Calendar App, and Pencil/Pen</p> <p>▶ Instructions: Distribute the Speed Action Worksheet. Inform participants that it is important to develop a plan for using the training’s information. Ask them to take 1–2 minutes to answer the following three questions to establish an action plan.</p> <ul style="list-style-type: none"> • What did you learn in this training? • How will you apply this information in your current or future role? • When will you apply this information? <p>Once the participants have finished, encourage them to save this goal to a planner, calendar app, or other sources to ensure they follow through with <i>their plan</i>. Following this activity, dismiss the participants from the training.</p>
<p>Thank You!</p> <p>Complete the following tasks:</p> <ul style="list-style-type: none"> ▶ Conclude the training. ▶ Refer participants to the Institute of Child Nutrition for additional information at helpdesk@theicn.org or 800-321-3054. ▶ Distribute any certificates or evaluations.

Micro-Purchase Scenario worksheet
<p>Shawn is a child care director at a mid-size to large facility. On the 3rd of each month, he purchases all food and supplies from a single grocery store. He believes each purchase averages \$10,519, but he is not certain because he has misplaced the four receipts. Sadly, Shawn is not following the requirements for micro-purchasing.</p> <p>In your groups, discuss some things Shawn could do differently to meet the micro-purchasing standards.</p> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

Answer Key: Micro-Purchase Scenario worksheet

Shawn is a childcare director at a mid-size to large facility. On the 3rd of each month, he purchases all food and supplies from a single grocery store. He believes each purchase averages \$10,519, but he is not certain because he has misplaced the four receipts. Sadly, Shawn is not following the requirements for micro-purchasing.

In your groups, discuss some things Shawn could do differently to meet the micro-purchasing standards.

Answers should address the following:

- ▶ **Standard 1: It does not require additional quotes or prices. However, the price must be reasonable.**
- ▶ **Standard 2: You must purchase from various sources to ensure everyone will have the opportunity to earn your business.**
- ▶ **Standard 3: You must document to ensure compliance.**

Speed Action Planning

Instructions: Today's training featured key information on the process of micro-purchasing for CACFP. Answer the following three questions to establish a plan for using the information

1. What did you learn in this training?

2. How will you apply this information in your current or future roles?

3. When will you apply this information (e.g., one week, one month, six months, etc.)?



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