
Subject: Capital Expenditures over \$5,000

Effective Date: October 1, 2015

Revised from: February 25, 2011

Policy: Local Agencies (LA) requesting approval to expend \$5,000 or more for capital expenditures **must obtain prior written approval from the State Agency (SA) before beginning any type of capital expenditure project.** As required by Federal policy, the SA will request approval for the expenditure from the United States Department of Agriculture (USDA) regional office on behalf of the LA for their approval **prior** to any capital expenditures. WIC funds may not be approved by USDA for capital expenses if prior approval was not obtained.

Capital expenditures include:

- acquiring buildings
- land
- improvements to buildings
- repairs or renovations to real property, which materially increase their value or useful life, costing more than \$5,000.

If the LA contract is terminated or not renewed, or if the property is no longer needed for the originally authorized purpose, the LA will request disposition instructions from the SA.

Due to the time constraints of the approval process and the requirements to spend funds prior to September 30, the SA may not approve requests after July 1 of the Federal Fiscal Year.

Reference: CFR §246.14(d); 7 CFR §3016.31; FNS Instruction 813-1

Procedure for requesting prior approval to incur capital expenditures over \$5,000

The following information must be submitted in writing to the SA for prior approval:

1. Describe what type of capital expenditure the LA is requesting (ex. new building, purchasing land or making improvements to an existing building)?
2. How will this project be beneficial to clients?
3. Provide a detailed description of the type of work to be done.
4. Provide an estimate for the cost of the work. Include at least three bids when appropriate.
5. Provide an allocation method of how costs shall be allocated among programs (if applicable) and the amount to be allocated to each program/activity.
6. Provide a time frame as to when the project will start and when the project is to be completed.
7. Complete Policy and Procedure Manual, [Appendix 12](#): FNS Instruction 813-1.
8. If this Capital Expenditure request is due to the relocation of a WIC clinic, then the LA must complete the Civil Rights Impact Analysis (Appendix 13).

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- This statement must be submitted to the SA at least 60 days prior to the relocation, otherwise WIC funds may not be approved for the capital expenses if prior approval is not obtained from USDA.

The SA shall review and submit the request on behalf of the LA to the USDA Regional office for approval. This process may take up to 60 days for approval. The SA shall forward USDA's decision to the LA in writing.

If a project is predicted to span over two Federal Fiscal Years, indicate the amount of funds needed for each of the fiscal years.