

# **Capital Expenditures**

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### **What is a capital expenditure?**

- WIC program use of NSA funds to acquire, increase, or extend the life of agency assets. Examples include remodeling a clinic, purchasing a WIC van, medical equipment, updating computer equipment.
- The purchased item must yield a benefit of two or more years.

### **When do you need to submit a capital expenditure approval request form?**

- Agencies must submit the Approval Request Form for Capital Expenditure prior to expending funds for all capital expenditures that exceed \$2,500.
- Approval requests of less than or equal to \$5,000 will be reviewed and approved by the State WIC Program.
- Approval requests greater than \$5,000 may be reviewed by the state WIC office or Food and Nutrition Service (FNS) depending on what the agency is requesting approval to purchase.

### **Additional requirements for capital expenditure for the purchase of buildings and land or improvements to buildings or land**

- When requesting approval to make a capital expenditure exceeding \$5,000 for the purchase of buildings and land or improvements to buildings or land you must also complete the FNS Instruction 813-1 **Exhibit A Worksheet for Requests to Purchase Real Property or Renovate or Repair Real Property**.

### **Additional requirements for capital expenditures for equipment greater than \$25,000**

- Approval requests for noncomputer equipment greater than \$25,000 must be reviewed and approved by FNS. You may also be asked to submit documents detailing your agency's procurement process.

# Steps for requesting approval for capital expenditures:

## **Step 1 – Submit the Capital Expenditure Approval Request Form**

Submit the Capital Expenditure Approval Request Form to your agency's assigned Nutrition Consultant.

- If you are requesting approval to make a capital expenditure exceeding \$5,000 for the purchase of buildings and land or improvements to buildings or land you must also submit the FNS Instruction 813-1 **Exhibit A Worksheet for Requests to Purchase Real Property or Renovate or Repair Real Property**.
- If you are requesting approval to make a capital expenditure of \$25,000 or greater for noncomputer equipment, you must also submit documentation detailing your agency's procurement process.

## **Step 2 – WIC State Agency and/or FNS Review of Capital Expenditure Request**

Review and approval of capital expenditure requests may be completed by the State WIC Office and/or FNS. The length of time it takes for review, approval or denial is dependent on the nature of the request and the capacity of the reviewing agency.

- Additional information or documentation may be requested.
- The average time it takes for State WIC Office and/or FNS to review a capital expenditure request is as follows:
  - Approvals of \$5,000 or less will be reviewed and approved by the State WIC Office and may take up to 2 weeks to process.
  - Approvals greater than \$5,000 may need to be reviewed and approved by FNS and may take up to 8 weeks to process.
  - Approvals greater than \$5,000 for the purchase of buildings and land or improvements to buildings or land must be reviewed and approved by FNS and may take up to 8 weeks to process.
  - Approvals greater than \$25,000 must be submitted to FNS and may take up to 8 weeks to process.

## **Step 3 – Notification of Approval or Denial**

Your agency will be notified by the State WIC office when your request is either approved or denied.