



## WISCONSIN SCHOOL NUTRITION **IN A NUTSHELL**

### Renovating a School Kitchen

#### **Maintenance and Repair Costs \$2 CFR 200.452**

Identify costs of normal repairs and alterations as allowable when they:

- Keep property in an efficient operating condition.
- Do not add to the permanent value of the property or appreciably prolong its intended life.
- Are not otherwise included in rental or other agreements.

Renovations within the inside perimeter of a kitchen/cafeteria space with required prior State agency approval has been allowed. For example, renovating a kitchen by cutting a portion of the wall to allow room for a walk-in refrigerator and related electrical wiring would be an allowable expense, if the renovation is necessary to accommodate increased participation of students in the school meal programs. It would be an unallowable expense if renovation of the kitchen was purely an aesthetic matter.

Normal direct maintenance costs can be charged to the nonprofit school food service account. Wisconsin does *not* allow indirect costs to be charged to the school food service account. More information on allowable cost guidance can be found the [Financial Management DPI SNT webpage](#).

#### **Building Construction Costs 7 CFR 210.14(a) and 220.7(e)**

Revenues received by the nonprofit school food service are to be used only for the operation or improvement of school food service, except that:

- Revenue shall not be used to purchase land, buildings, or to construct buildings unless otherwise approved by the State agency and USDA.
- Program funds exist to support the costs of nutritional benefits for children in school settings and not to construct school related facilities.
- SFAs must maintain the necessary funding to operate the program as required and is not used to cover major expenses that should be borne by the school district's general funds (i.e., capital infrastructure costs).
- School kitchen capital infrastructure costs should be paid by general or capital school district improvement funds, just as the school building and its contents.

#### **Equipment 2 CFR 200.33**

- Defined as tangible personal property (including information technology systems) having a useful life of one year or longer and a per-unit acquisition cost that equals or exceeds the lesser capitalization threshold established for financial statement purposes, \$5,000, or a lower threshold set by state or local level regulations.
- Purchasing equipment with nonprofit school food service account funds is allowable if the item is listed on the [Preapproved Equipment List](#) or the SFA receives prior approval from the State agency.
- If items will be used for more than just food service, the cost must be prorated.
- For more information, visit the [DPI SNT Equipment Purchases](#) webpage.

## Project Considerations

- Determine the local dollar threshold for capital equipment.
- Determine the estimated dollar value of the transaction and select a federally approved procurement method.
  - Informal (Micro or Small Purchase)
  - Formal (Invitation for Bid (IFB) or Request for Proposal (RFP))
  - Noncompetitive (emergency, single source, etc.)
- Consult DPI SNT to assist in determining allowability, need for pre-approval, and required cost allocation. Sharing the following is helpful:
  - Detailed blueprints (if applicable)
  - List of equipment to be purchased
  - Architect fees (if applicable)
  - General Contractor service fees (if applicable)
  - Demolition and remediation fees
    - Asbestos abatement is an unallowable cost
- Retain documentation

## Common Requests

If an item is not listed or is difficult to discern allowability or shared use, contact DPI SNT at [dpifns@dpi.wi.gov](mailto:dpifns@dpi.wi.gov) or (608) 267-9228.

### Allowable Cost Examples

*Important: Any shared equipment or space must be cost allocated.*

- Internal food service doors, including roll-up door
- Elevator specific to food service area
- Painting in kitchen or food service areas, including murals
- Food service delivery truck
- Venting, plumbing, and electrical for food service equipment  
\*Only connection costs to ensure function of food service equipment. HVAC, plumbing, and electrical are general funds costs.
- Food service grease trap
- Food service dock lift gate
- Food service dock forklift or hand truck
- Alternate food service location (e.g., food truck, café, etc.) \*only if reimbursable meals are offered, the site is an extension of food service, and any non-program food sales meet Smart Snacks standards.
- Outside freezers and coolers \*consult with DPI SNT to discuss allowability of structural additions, like a roof
- Floor scrubber
- Washing machine and dryer
- Flooring
- Ceiling Tiles
- Portable AC units \*only for food service area
- Rental of offsite kitchens during a remodel

### Unallowable Cost Examples

- Security cameras
- Outdoor building for dry storage space
- Outdoor dock space (pavement, resurfacing, dock door)
- Exterior doors.