



To the Administrator Addressed

Commissioner Mike Morath

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DATE:	November 29, 2018
SUBJECT:	New TEA Guidance on Micro-Purchase Flexibility Under EDGAR
CATEGORY:	EDGAR Purchasing Requirements
NEXT STEPS:	None

In an [August 28, 2018](#), To the Administrator Addressed letter, TEA's Department of Contracts, Grants and Financial Administration announced the decision by the Office of Management and Budget (OMB) to increase the micro-purchase threshold from \$3,500 to \$10,000, effective July 1, 2018.

This letter provides new TEA guidance and flexibility regarding micro-purchases.

New Micro-Purchase Flexibility

As required under EDGAR, the micro-purchase threshold of \$10,000 is an aggregate amount. The LEA may expend no more than \$10,000 on micro-purchases throughout the fiscal year. The threshold amount applies to the sum of all the federal grants received by the LEA.

To increase LEAs' micro-purchase flexibility, TEA is providing the following guidance:

- The \$10,000 "aggregate amount" threshold applies to purchases of "like-types" of items.
- In its local policies and procedures, the LEA must define what like-types of items may be micro-purchased.
- The \$10,000 threshold applies to each like-type that the LEA defines.
- Once the LEA reaches the \$10,000 threshold, it must follow small purchase procedures and collect at least two price quotes for additional purchases of items for that like-type.
- A like-type may correlate to a subcategory of a commodity code (not to the commodity code itself).
- Like-type may not be defined as a single purchase order or a single vendor.
- For each like-type that the LEA defines in its local policies and procedures, it may expend up to the \$10,000 threshold across all its federal grant funds for the entire fiscal year.
- TEA does not limit the number of like-types that the LEA may define, nor does TEA limit the cost of the items categorized as like-types. LEAs must be aware, however, that their like-type definitions are subject to monitoring and audit.

LEAs must be prepared to submit their like-type definitions to TEA monitors and auditors.

For Further Information

With any questions about the increased federal micro-purchase threshold or TEA's new flexibility for micro-purchases with federal grant funds, email the Department of Contracts, Grants and Financial Administration at GrantSupport@tea.texas.gov.