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.