USDA FOODS DISTRIBUTION HANDBOOK

Indiana
DEPARTMENT OF EDUCATION

Table of Contents

1 WELCOME AND INTRODUCTION

1 COMMONLY USED ACRONYMS

2 WHAT ARE USDA FOODS?

2 HOW DOES IT WORK?

2 WHO IS ELIGIBLE?

2 HOW DOES THE RA KNOW WHAT TO ORDER?

3 FOOD DISTRIBUTION CHARGES, INVOICES, AND INVOICE CREDITS

5 HOW TO SPEND ENTITLEMENT; TWO OUTLOOKS

6 HOW DO I KNOW WHAT I'M GETTING AND WHEN?

6 HOW DO RAS DETERMINE THE TRUE COST OF THE USDA FOOD?

6 WHAT IS THE TRUE VALUE OF THE USDA FOOD?

6 DELIVERY

7 RECALLS

8 SCHOOL/SERVING SITE RESPONSIBILITIES

8 OTHER FORMS AND UNUSUAL OCCURRENCES

9 REVIEWS

9 FOOD DISTRIBUTION ADVISORY COUNCIL

9 AMERICAN USDA FOOD DISTRIBUTION ASSOCIATION (ACDA)

10 ANNUAL TIMELINE

10 RESOURCES

11 PROCEDURE AND POLICY FOR RECEIVING USDA FOODS

12 POLICY OR STORAGE OF USDA FOODS

13 REPORT OF LOSS OF USDA FOODS

14 TRANSFER OF USDA FOODS

15 BEST IF USED BY, SELL BY, AND EXPIRATION DATES

15 FOOD SAFETY

WELCOME

Welcome to Indiana Department of Education's (IDOE's) Food Distribution Program (FDP). We wish you every success in your role as a food service professional, and we hope that you quickly feel at ease with the program and United States Department of Agriculture (USDA) Foods. In your role, one of your many responsibilities may be the distribution and accountability of USDA Foods. Please note, USDA Foods can account for up to 20% of your food budget.

To assist you with USDA Foods, this handbook was developed to outline some of the Recipient Agencies (RAs) obligations and what RAs should expect from the FDP. We hope that your experience with the FDP and USDA Foods will be positive, valuable and worthwhile.

INTRODUCTION

This USDA Foods Handbook is a compilation of policies, procedures and best practices currently in effect in the FDP at IDOE and is governed by USDA. In addition to introducing you to FDP requirements, the handbook will help answer questions that may arise regarding USDA Foods.

This handbook is not a contract. This handbook does not create a contract, express or implied. The purpose of the handbook is simply to provide you with a convenient explanation of present policies and practices related to USDA Foods. This handbook is an overview and unfortunately, cannot cover every matter that might arise. For this reason, specific questions regarding the applicability of a particular policy or practice should be addressed to the IDOE.

IDOE reserves the right to modify any policies and procedures included in this handbook, at any time. We will seek to notify you of such changes by email and other appropriate means. However, such a notice is not required for changes to be effective.

Commonly Used Acronyms

ACDA – American Commodity Distribution Association

CNPweb – Child Nutrition Program website

DOD Fresh – Department of Defense Fresh

FDP – Food Distribution Program

FFAVORS – Fresh Fruit and Vegetable Order Receipt System

FIFO – First-In-First-Out Inventory Method

ICN – Institute of Child Nutrition

IDOE – Indiana Department of Education

NSLP – National School Lunch Program

RA – Recipient Agency

SDA – State Distributing Agency

SFSP – Summer Food Service Program

USDA – United States Department of Agriculture

What Are USDA Foods?

The USDA Foods Program (formerly known as the USDA Commodity Distribution Program) provides up to 20% of the food served in the National School Lunch Program (NSLP). The program, established in 1935, serves two key roles: supporting domestic agriculture and providing a nutrition safety net through school meal programs, and other food distribution programs. USDA Foods are foods purchased by the USDA to support the domestic agriculture market and are then donated to the states to support NSLP participants. The funds allocated to IDOE and other states are based on a yearly established per meal rate. The amount of funds available per school corporation is calculated by multiplying the number of creditable lunches claimed in the previous year times the per meal rate. While USDA Foods is a federal program, it is administered to Recipient Agencies (RAs) through IDOE and other state agencies, also known as State Distributing Agencies (SDAs). The yearly meal rate published by USDA can be found at: https://www.fns.usda.gov/fdd/value-donated-foods-notices.

These programs operate under the federal regulations set forth in Title 7 CFR 250. The federal regulations dictate the means for calculating the amount of entitlement each state receives along with other program requirements.

Richard B. Russell National School Lunch Act http://www.fns.usda.gov/sites/default/files/NSLA.pdf

http://ecfr.gpoaccess.gov/ select Browse, then select Title 7 for Agriculture, then select section 210-299, then select 250.

How Does It Work?

Every year each state is given an amount of entitlement to make available to RAs. The state then figures each RA's fair share allocation based on their annual lunch participation. Entitlement can only be used to obtain USDA Foods; it cannot be used on the commercial market to obtain food.

IDOE conducts an annual food order process, called the "pre-order" survey. The pre-order survey must be completed through the online Child Nutrition Programs website by all RAs in the state. This website is known as the CNPweb. IDOE totals all the orders, figures how much of what needs to be delivered to the warehouse and places orders with USDA. Once these steps are completed, IDOE notifies RAs of which items they are going to receive and when they are expected to receive it. The computer system will do a fair share allocation based on inventory available versus total cases ordered. Quantities will be determined on a monthly basis.

Who Is Eligible?

RAs that participate in the NSLP and/or the Summer Food Service Program (SFSP) for at least one school year are eligible to participate in the Food Distribution Program. The RA must also have entered into an agreement with IDOE.

How Does The RA Know What To Order?

USDA Foods are split into four categories:

1. **Direct Delivered** – These were previously known as end products. These items are mostly canned fruits and vegetables, frozen beef and poultry, cheese, etc. These items are delivered by a state contracted warehouse.

2. **Direct Diverted** – These were previously known as bulk products. These items can include meat, poultry, cheese, fruits, vegetables and grains. These products are ordered and shipped to a processor to turn into ready-to-eat end products. These items come with an additional out-of-pocket processing fee. Each RA needs to assess whether they can buy the end product at a lower cost as a USDA Foods item or on the commercial market.

3. **Bonus** -- These are direct delivered items of which the USDA has a surplus. The value of these items will not be taken off the RA's entitlement; however other charges may still apply. These items usually have a very short ordering window.

4. **Department of Defense, Fresh Fruit and Vegetable (DoD Fresh) Program --** This is an **optional** program in which all schools are eligible to participate. With the DoD Fresh Program, a certain amount of a participant's regular entitlement is designated or committed for the DoD Fresh program. The amount of entitlement designated is the decision of the RA. The USDA has an agreement with the Department of Defense to purchase fresh produce for schools. The "DoD Fresh" program is managed by the Defense Supply Center of Philadelphia (DSCP) that operates a nationwide system to purchase and distribute a wide variety of high quality fresh produce to military installations, Federal prisons, and veterans' hospitals. Either SDAs or their schools place orders directly through the Fresh Fruit and Vegetable Order Receipt System (FFAVORS) for a variety of available, American grown fresh produce. Since the vendor is selected by USDA, there is no need to procure this vendor. *This is **NOT** the same program as the Fresh Fruit and Vegetable Program (FFVP).*

Food Distribution Charges, Invoices and Invoice Credits

USDA ships USDA Foods into the state to warehouses on a regular basis without cost. Once the foods are received by the warehouse, however, all additional costs of handling, storage, and delivery to program operation sites must be supported with other revenues.

Indiana charges RAs a fee of $2.95 per case as an administrative handling charge. Please note that the charge is for the handling of the commodities and not for the food itself. Whether it's a costly item like ground beef or a less expensive item like flour or canned vegetables, the per-case charge is the same. Do not confuse the administrative handling charges with managing your entitlement, which represents the actual value of the foods received.

Currently the stated administrative fee is $2.95/case for regular delivered commodities, $0.50/case for "direct ship" items, and $.01/lb. for processed items. *Direct ship is when very large schools order USDA Foods to be delivery directly to their schools from USDA because they can purchase some high demand items in truck load amounts.*

While the stated administrative fees exist, many Indiana RAs do not actually have to pay that fee for most or all of the year. This is because of current invoice credits**.**

These credits are not guaranteed and there may not be enough to pay all the costs of the Food Distribution Program. So, we keep the invoicing system in place. Currently, most returning RAs receive an invoice credit each year based on their prior year orders. New sponsors have no prior year, so they may have to pay administrative fees their first year. You can see this credit balance in the CNPweb on the Invoicing Tab. Most RAs start the year with a credit balance on their account and apply it to administrative charges throughout the year.

You can see the status of your invoice credit by looking at the Invoice tab in the CNPweb under the Food Distribution Program (green puzzle piece).

Bottom of Form

Recipient Agency Summary

Applications | Entitlement | Surveys | Allocations | Inventory | Orders | Invoicing

Total Invoices	Total Amount Paid	Paid By Claim	Paid By State Credit	Remaining State Credit
2,880.44	2,880.44	0.00	2,880.44	4,643.99

Recipient Agency Invoices — Add Invoice

Invoice Id	Invoice Date	Invoice Type	Invoice Amt	Paid Amt	Paid Date	Action
74452	11/27/2018	Administrative Fees	389.40	389.40	11/27/2018	View
73828	11/02/2018	Administrative Fees	2,491.04	2,491.04	11/16/2018	View

Top of Form

If the RA's invoices exceed the credit by the end of the year, those charges will be deducted from the National School Lunch Reimbursement checks. Details of these invoices can be viewed under the NSLP (purple puzzle piece) in the CNPweb under the Payments tab.

Bottom of Form

Sponsor Summary

Packet | Applications | Activity | Claims | Payments | Users

	Catalog of Federal Domestic Assistance (CFDA Number)						
	10.555	10.553	10.555	10.556		10.582	
Open Balance Transactions	Lunch	Breakfast	Snack	Milk	Match	FFVP	Total Payable
September 2003 Claim	0.00	0.00	-13.65	0.00	0.00	0.00	-13.65
FDP Invoice 69528	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FDP Invoice 71836	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FDP Invoice 72357	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FDP Invoice 72843	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FDP Invoice 73329	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FDP Invoice 74452	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Open Balance	**0.00**	**0.00**	**-13.65**	**0.00**	**0.00**	**0.00**	**-13.65**

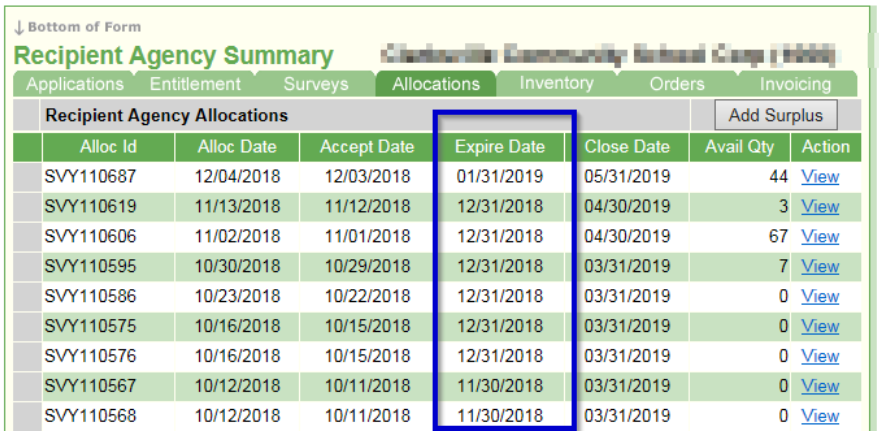
Batch Number	Process Date	Lunch	Breakfast	Snack	Milk	Match	FFVP	Total Payment
5158	11/16/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5152	10/17/2018	0.00	0.00	0.00	0.00	8,182.13	0.00	8,182.13
5149	10/16/2018	63,150.12	13,466.78	0.00	0.00	0.00	0.00	76,616.90
Total Payments		**63,150.12**	**13,466.78**	**0.00**	**0.00**	**8,182.13**	**0.00**	**84,799.03**

Top of Form

You can match up the records by invoice number. If you click on the actual invoice in the Payments tab, you will see the details of that invoice and can identify if any administrative fees were charged to the NSLP reimbursement. All regular administrative fees for handling and transportation that we've discussed so far are balanced against the Invoice Credit. There's one exception to this rule and we'll cover it next.

Excess Storage Fees

Every allocation an RA receives has an expiration date (see below). Expiration just means that the "free storage" that comes with every allocation is about to expire. RAs typically have between 45 to 60 days once the USDA Food is allocated before the expiration date. As long as you order the product out for delivery by the Expiration you won't be charged excess storage fees.



Bottom of Form

Recipient Agency Summary

Applications | Entitlement | Surveys | Allocations | Inventory | Orders | Invoicing

Recipient Agency Allocations — Add Surplus

Alloc Id	Alloc Date	Accept Date	Expire Date	Close Date	Avail Qty	Action
SVY110687	12/04/2018	12/03/2018	01/31/2019	05/31/2019	44	View
SVY110619	11/13/2018	11/12/2018	12/31/2018	04/30/2019	3	View
SVY110606	11/02/2018	11/01/2018	12/31/2018	04/30/2019	67	View
SVY110595	10/30/2018	10/29/2018	12/31/2018	03/31/2019	7	View
SVY110586	10/23/2018	10/22/2018	12/31/2018	03/31/2019	0	View
SVY110575	10/16/2018	10/15/2018	12/31/2018	03/31/2019	0	View
SVY110576	10/16/2018	10/15/2018	12/31/2018	03/31/2019	0	View
SVY110567	10/12/2018	10/11/2018	11/30/2018	03/31/2019	0	View
SVY110568	10/12/2018	10/11/2018	11/30/2018	03/31/2019	0	View

While you would normally try to avoid these charges, there may be perfectly valid reasons to keep an item at the warehouse after the expiration date. You may be temporarily short on storage space. Just know that any items left in the warehouse after the expiration date may incur excess storage fees on a per-case/per month basis. For information on current excess storage fees, please visit https://www.doe.in.gov/nutrition/usda-foods-distribution-program or contact the Food Distribution Program Specialist.

Excess Storage fees **ARE NOT** balanced against the invoice credit and you will have them deducted from your reimbursement check even if you have a remaining credit balance.

How to Spend Entitlement

This is government money that will be lost if it is not spent on USDA Foods. The funds can be spent on any of the items IDOE has chosen from the USDA Foods Available List. It is necessary to evaluate where these dollars can best help your institution cut food costs. If you are unsure about this step, consult with your field specialist.

Treat this like any other money. While it can only be spent on USDA Foods, RAs should still comparison shop and not spend their entitlement on items which can be bought on the commercial market at a lower price. However, you don't want to lose or underuse these funds, so make sure you utilize this money in order to avoid wasted dollars. Also note, procurement regulations must be adhered to when selecting USDA Food Vendors. If you are unsure about the procurement regulations, it is best to consult with the SCN Procurement Specialist.

IDOE requires the RAs to utilize up to 102% of their entitlement. If you do not spend 102% of the entitlement money, it will be lost.

How Do I Know What I'm Getting and When?

During the school year, RAs need to refer to their pre-order survey in the CNPweb to determine what USDA Foods have been requested for each month. RAs will receive allocations of products into their inventory under the green puzzle piece in CNPweb based on their fair share. Once there is product in the RAs inventory, the product needs to be placed on an order form under the Orders tab on the green puzzle piece

in CNPweb. Products need to be removed from the warehouse by the expire date listed under the inventory tab in order to avoid an excess storage fee. Products should be placed on an order form by the close date in order to avoid the product from being "taken back" by the IDOE and redistributed to other schools. The RAs inventory should not exceed a six month supply.

How Do RAs Determine the True Cost of the USDA Food?

While the USDA Foods themselves are free to RAs, they do come with a cost. You will be charged an administrative fee per case and possible storage fees. These charges are not paid for out of the RA's entitlement. This administrative fee covers the intra-state cost of handling, storage and delivery. These are out of pocket expenses which need to be factored in when placing your annual orders. When this fee is charged, we typically deduct it directly from your National School Lunch Program Reimbursement. However, if an RA has been on the program for more than one year in Indiana, invoice credits can be used until they are depleted. An invoice credit is a credit amount that in most instances equals or exceeds the amount you would normally be charged throughout the year for administrative fees. Once these credits are applied to the administrative fees balance, there is usually no administrative fees or minimal fees to pay out of reimbursement.

What Is the True Value of the USDA Food?

The "USDA value" is the value of the USDA Food. However, the RA needs to assess the replacement and/or insurable value of the USDA Food. If the RA has to replace a USDA Food product with a commercial one, it needs to know the USDA value of the item, the delivery cost, the processing cost (if applicable) and the state administrative charge. That is the true value of each product.

Delivery of USDA Foods

The Indiana Department of Education has contracted with warehouses throughout the state. The warehouses set up delivery periods in the CNPweb and RAs place orders for delivery through that same system. Deliveries are made on a bi-weekly basis and must meet minimum order requirements in order to avoid a drop fee (i.e. an order must have at least 10 cases minimum to avoid a fee). In order to receive a delivery on the delivery period requested, the order must be placed no later than the Wednesday ***before*** that delivery period week by 4:00PM ET.

> *Receiving Policy* - Per contract, RAs must have school staff available to receive deliveries when shipments arrive even if it is at inopportune times, i.e. recess, lunch, etc. Warehouse drivers are on tight schedules and have product strategically placed in the trucks, usually in the order they plan to deliver to their territory for that day. It is extremely difficult for drivers to rearrange product due to the amount of product they are delivering to various locations.
>
> *Delivery and Receipt Policy* – Warehouse deliveries are contracted to be made on a bi-weekly basis Monday through Friday between the hours of 7:00 a.m. and 3:00 p.m. (Recipient Agency's local time). In case of school delays and closures, school breaks and/or inclement weather, the RA must contact their assigned USDA Foods warehouse to inform them of such a closure or delay. No deliveries will be made during the entire month of July due to the IDOE conducting physical audits and fiscal reconciliations. Deliveries are to be made at a designated receiving/unloading area at the RA site. The area should be ground level or a truck dock. Warehouse personnel are not to stow or place food on shelves.

It is the RA's responsibility to verify accuracy, quantity, condition and quality of the USDA Food items received. The RA must also sign each delivery receipt and note variances such as shortages, damages, etc. The delivery personnel should initial all such notations.

An RA delivery order fewer than the minimum cases per drop site will be assessed a drop fee by the warehouse. A drop fee should not be assessed if the warehouse at its own discretion delivers less than the minimum required cases.

Storage Policy – USDA Foods are to be stored at the proper temperature, and away from chemicals, and infestations. The first-in-first-out (FIFO) method should be used to manage inventory. To implement this method, food should marked with the date of receipt at the storage facility. Place the new, incoming product behind the older product to ensure rotation of stock. Be sure to check expiration, use-by, best-if-used-by, sell by and pack dates. According to the USDA Policy FD-107, the expiration and use-by dates are the last date recommended to ensure peak quality and nutrients. The best-if-used by date is the last date a food item will be at its peak in terms of flavor and quality. The sell-by date is the date recommended that a store sell the product and pack date identifies when the product was packaged or processed.

Recalls

A. Recall of USDA Foods is described in detail in the publication "Responding to a Food Recall" by the USDA and the Institute of Child Nutrition (ICN), which can be found at http://www.fns.usda.gov/fdd/fd_foodsafety.htm.

B. Each RA is responsible for appointing a food safety coordinator (usually the Food Service Director) an d providing the name, title, email address, phone and fax numbers to the IDOE.

C. In the event of a food recall, IDOE will send a recall notification, press release, and request for information to be returned via email to affected RAs. Please respond to this email promptly so IDOE staff knows contact has been made. IDOE staff will telephone RAs who do not respond to the email.

1. The recall notification will provide the name of the product, affected lot numbers, if available, and other product information.

2. Additional information will be included to assist school districts in responding to requests from the media, parents, school district officials, and others. The RA must provide the location and quantity of product in storage, amount of product already consumed, and document reimbursable costs.

3. The RA will work with IDOE and the contracted warehouse to determine the appropriate method and timeframe for picking up the recalled product.

4. The quantity and location of the product must be submitted to IDOE within 10 calendar days for the RA to be reimbursed within thirty days of the recall notification. If the RA does not meet this deadline, reimbursement will be made at the close out of the recall process (ninety calendar days).

School/Serving Site Level Responsibilities:

1. Identify the recalled food immediately.
2. Account for all food product that was received.
3. Determine if any of the food has been served.

4. If the recalled product has been used, document the date(s) used and to whom it was served (classes, not individuals).
5. If you have had any reports of health problems that could be related to consumption of the recalled food product, direct anyone affected to appropriate medical personnel or the school nurse.
6. Hold unused food product and do not use until you know the final action.
7. Submit to IDOE the following information:
    a. Inventory counts of the recalled product on hand at the time of recall and counts or amounts of the product used before the call notice was received.
    b. How the recalled product was segregated from other food products and secured to prevent further use.
    c. Information on whether the product was served. If it was served, provide information on to whom it was served and the date(s) served.
    d. Reports of symptoms of adverse health problems and actions taken.
    e. Complete any necessary documentation for collection, return or destruction and reimbursement per IDOE instructions.
    f. Submit necessary documentation to IDOE.
    g. Maintain copies of documentation on file for three years plus the current year including:
        i. Copies of communications received and sent regarding the food recall.
        ii. Documentation related to the food recall that shows the required procedures were followed including:
        -How the product was secured to prevent use.
        -Return of the product to the warehouse.
        -Destruction of the on-site product, and accompanying written notification to do so.
        -Records that show the date that the product was used and to whom it was served.
        -Reports from students of symptoms of physical illness.

Other Forms and Unusual Occurrences

A. Request for Entitlement Value Refund – This is when an RA requests a refund to their entitlement for the value for damaged or out of condition USDA Foods. The problem must happen prior to the RA taking delivery. Claims must be made in full case quantities. IDOE typically does case replacement for damaged or out of condition items. Refunds will not be granted for items that have become out of condition due to the RA storing them beyond their recommended timeframes. Refunds shall be in the form of manual invoice entered into CNPweb.

B. Transfer Form – USDA Foods can be transferred between RAs using this form. It is not necessary to use this form unless you want the entitlement value of the product transferred as well. It is the RA's responsibility to transfer/transport product that is in their physical inventory.

C. Out of Condition USDA Foods – Under the single inventory system, the state does not have to give permission to dispose of out of condition USDA Foods. However, USDA Foods must be disposed according to local health department and landfill requirements. This should not happen if the RA is using FIFO inventory method.

D. Holds - USDA may call for a hold of a product. This product must be held at the RA's facility until further information is provided by USDA. Do not serve, dispose of, or remove from appropriate storage until further instructions are provided.

E. Disasters – Feeding may be required from any RA if the President declares a situation to be a disaster in the RA's geographical area or nearby and warrants assistance in feeding disaster victims. In the event an RA is required to provide meals and/or food appropriated for such use, the RA is required to identify and

document quantities of USDA Foods used and number of people served, for reimbursement from USDA to the RA. Approval by IDOE is not needed in the event of a disaster, however, notification of the situation will probably be provided by IDOE. In the event of a disaster situation the National Guard, Red Cross and other organizations may also have the authority to request disaster feeding assistance be provided by the RA.

G. Situation of Distress – This is a situation where the President has not declared a disaster. It requires approval from IDOE and the USDA before using USDA Food foods for congregate meal service.

H. USDA Food complaints should be directed to the USDA Food Distribution Coordinator of the IDOE at (317) 234-2516. This person will then notify the USDA.

Reviews

The USDA Foods program is reviewed by the field specialist during a School Nutrition Administrative Review. They will be looking to:

A. Ensure the RA is still eligible for USDA Foods.

B. Ensure a FIFO storage method is used.

C. Ensure USDA Foods and other foods are properly stored.

D. Ensure RA is maintaining proper records.

Food Distribution Advisory Council

A group made up of mostly food service directors for the purpose of deciding which processed items will be offered each school year.

American Commodity Distribution Association (ACDA)

ACDA is a non-profit, national organization devoted to improving the USDA Foods distribution system. ACDA consists of industry groups that work with USDA including agricultural organizations, recipient agencies, legislators, processors, state distributing agencies and USDA. To become a member of ACDA, membership application and fees apply. To learn more about ACDA, please visit their website at http://www.commodityfoods.org/.

Goals and function of ACDA:

1. Identify and address issues that impact the USDA Food Distribution Program.
2. Develop an effective link with members.
3. Monitor and address issues that affect legislative, regulatory and policy changes for improvement of the USDA Food program.
4. Encourage acquisition of USDA Food products in a form that is beneficial to recipient agencies and agriculture.
5. Provide members with educational and networking opportunities.
6. Initiate and strengthen strategic working relationships.

Annual Timeline

January - March – IDOE notifies you by email that the annual pre-order survey is available and due for the following school year. Entitlement available to the RA is an estimate. Meal rate and participation numbers are both from the prior school year. Meal rates are updated in July and participation numbers are updated

in November. Both updates will affect your entitlement available. This is another reason to spend up to 102% of your entitlement during the annual pre-order survey.

March/April – IDOE totals orders, figures out how much of what is needed to be delivered to which location. IDOE places orders with USDA.

March -- RAs may apply for Summer Food Service Program USDA Foods.

June – Warehouse deliveries end for the school year. All warehouses need to be empty before school lets out. Schools must accept delivery of any stored foods by this time.

July – IDOE completes physical inventory counts and reconciliations with the state contracted warehouses.

September to May – Schools may place orders in CNPweb for delivery to their sites based on their annual Pre-order Surveys once product is allocated into their inventory.

November – USDA Material Price List becomes available from USDA. IDOE sends out a letter for DoD Fresh commitment requests.

Resources

The Indiana Department of Education Food Distribution Website:

https://www.doe.in.gov/nutrition/food-distribution-program

The USDA Food Distribution Programs Website:

https://www.fns.usda.gov/fdd/food-distribution-programs - This website is the portal to Fact Sheets, processing information, recipes, regulatory requirements, disaster feeding, food safety, and much more!

American Commodity Distribution Association (ACDA):

www.commodityfoods.org - This website contains a Recipient Agency Processing Handbook available to members only.

PROCEDURE FOR RECEIVING USDA FOODS

All personnel receiving USDA Foods are required to follow the procedural checklist below.

☐ **Count** each and every USDA Food item received.

☐ **Verify** that USDA Foods and amounts received are the same as stated on the Agency Receipt and/or Bill of Lading.

☐ **Accept ALL** USDA Foods and amounts listed on the Agency Receipt. Substitutions or overages may be accepted at the discretion of the RA ONLY if noted clearly on the Agency Receipt and initialed by both the driver and RA.

☐ **Visually check** cases for signs of damage.

☐ **Note and initial** all shortages and/or damages on the Agency Receipt before signing. Request driver to initial shortage and/or damage.

 Credit may be issued to the Recipient Agency for any shortages noted on the Agency Receipt at the time of delivery. Damaged product should be accepted, opened and determined if any part is salvageable.

POLICY FOR RECEIVING USDA FOODS

1. The RA should inform the warehouse of school breaks and closures as soon as they are known.

2. The warehouse is required to notify the RA if the delivery will not be made or will not arrive on the prescheduled day.

3. The RA is required to make arrangements to be able to accept delivery between the hours of 7:00 a.m. and 3:00 p.m. on its regularly prescheduled day. At times, the delivery truck may be behind schedule due to mechanical failure, bad weather, or problems unloading at a previous site. If the delivery arrives as scheduled, is correct, and the RA refuses delivery, it will be rescheduled for a future delivery period and the RA will be charged a restocking fee equal to the delivery fee.

4. The driver will deliver USDA Foods to designated receiving areas. The recognized receiving area at an RA warehouse is across the receiving platform. RA warehouse deliveries may be made on exchangeable or returnable pallets.

5. The driver is not required to stow USDA Foods on shelves, stack in reach-in coolers, freezers or other cabinets, or to rotate stock.

6. The RA is not required to help the driver unload.

7. A representative of the RA must sign the copies of the Agency Receipt/Bill of Lading. Once the Agency Receipt is signed, the RA becomes the owner of those USDA Foods.

8. The driver will deliver the USDA Foods specified on the Agency Receipt. Shortages or damaged USDA Foods shall be noted on the Agency Receipt by the RA, and initialed by both the driver and the RA. (Frozen USDA Foods must remain totally frozen during shipment).

9. The RA may accept substitutions or overages, ONLY if discrepancies are clearly noted on the bill of lading/delivery receipt and initialed by both driver and RA.

10. If the RA decides to accept damaged USDA Foods, the product should be opened by the RA and the RA should attempt to salvage anything usable. If it is damaged beyond usability, please contact IDOE.

11. USDA Food deliveries which are correct and prescheduled are not to be refused at the time of delivery. If USDA Foods are refused, the RA **WILL** incur restocking fees for undamaged items.

POLICY FOR STORAGE OF USDA FOODS

All schools/districts have signed an agreement with IDOE to be responsible for all USDA Foods received.

1. Foods should be stored only in refrigerators and freezers that are working properly and in good repair. Refrigerators and freezers should be thoroughly cleaned and dried before foods are placed in storage.

2. Where walk-in type refrigerators and freezers are used, foods should not be placed directly on the floor. Foods should be placed on pallets or on shelves, with a ½ inch space left between the walls and the food

containers to insure proper air circulation. Foods should be properly stacked to prevent falling and possible damage.

3. Temperatures in the refrigerators and freezers are to be taken and recorded daily. Recording thermometers should be on the outside so that temperatures can be taken and recorded without opening the door.

4. Refrigerators and freezers should be equipped with an alarm system for easy detection of high temperatures and power failures.

5. After a power failure, refrigerators and freezers should be checked to make sure they are operating properly and that stored foods are in good condition.

6. Thermometers and other refrigeration equipment should be checked periodically to ensure that they are operating properly. It is encouraged that this be done at least twice each week.

7. Malfunctioning equipment should be repaired immediately.

8. USDA Foods must be stored in a manner to safeguard against theft. Only authorized personnel should have access to storage areas and take the temperatures of the refrigerators and freezers.

9. Flour and other grain products should be refrigerated during the summer.

10. An effective insect and rodent control program should be maintained in all schools that store food.

11. Any dry storage items not placed in freezers or coolers should be maintained at 50-70 degrees Fahrenheit.

12. Temperature reading should be recorded in each dry storage area and on each cooler or freezer door.

13. Label and date all food placed in storage, use the FIFO (first-in–first-out) inventory system.

14. Keep records of all stored food; this will be of use when ordering food supplies, for accountability purposes, in a disaster feeding situation or if losses or theft occur.

15. Inventory of all food, including USDA Foods, is required at least annually. More often is recommended. All food, not just USDA Food, must be traceable in the event of a hold or recall. Food can be stored outside its original packaging as long as the identifying information is preserved.

REPORT OF LOSS OF USDA FOODS

Instructions: Complete this form. Retain a copy for your files and email to Cheryl Moore at cmoore@doe.in.gov.

Date/time loss occurred and/or was discovered	
Recipient Agency Full Name	
Recipient Agency/Corporation Number	
Mailing Address	
Phone Number (xxx-xxx-xxxx)	

List USDA Food loss below. Attach additional sheet(s) if necessary.

USDA FOOD	PACK SIZE	PACK DATE	CONTRACT #	DATE REC'D	QUANTITY LOST

Nature of Loss	
☐ Refrigeration/Freezer Failure	☐ Theft
☐ Infestation/Spoilage	☐ Fire
☐ Contamination	☐ Damage
☐ Other, please explain	

Please respond to the following questions by placing an "X" in the appropriate box.	**YES**	**NO**
Were the USDA Foods inspected at the time they were received to ensure frozen product arrived in a frozen state and cases were not damaged upon arrival?		
If theft, did police investigate? (include copy of police report)		
Are the storage areas locked?		
Is there a temperature alarm system for the refrigeration/freezer?		
Is loss covered by insurance?		
If yes, has a claim been filed?		

Give complete details below regarding loss. Attach additional sheet(s) if necessary.

Date USDA Foods disposed of or returned to sender: _____

Per Case Value of USDA Food: $_____ x No. of Cases = Total entitlement refund requested: $_____

_____ _____ _____

Signature of Authorized Representative Title Date

Signature of Person Completing Report	Title	Date

TRANSFER OF USDA FOODS

INSTRUCTIONS: Submit report whenever USDA Foods are transferred from your agency to another Recipient Agency. Send one (1) copy to Indiana Department of Education (IDOE), one (1) copy to receiving agency, and retain one (1) copy for your files.

1.	Transfer Date: MM/DD/YY

2.	USDA FOODS TRANSFERRED		
	DESCRIPTION	PACK SIZE	NUMBER OF CASES

3.	RA USDA FOODS COMING FROM:	
	Transferring Agency	
	Recipient Number	
	Delivery Address	City/Zip
	Phone Number	
3a.	Signature of Authorized Representative	Date MM/DD/YY

4.	RA USDA FOODS GOING TO:	
Receiving Agency		
Receipt Number		
Delivery Address		City/Zip
Phone Number		
Signature of Authorized Representative		Date MM/DD/YY

5.	IDOE Authorization	Date MM/DD/YY

According to the Food Distribution National Policy Memorandum: Policy FD-107

Expiration and Use-By Dates

Generally, "expiration" dates and "use-by" dates are the last dates that the manufacturer recommends a food item be consumed to ensure peak quality and nutrient retention. However, there is no regulation requiring that manufacturers mark their product with such dates.

Per manufacturer recommendations regarding other foods, USDA donated food that is past its expiration date or its use-by date must not be distributed to program recipients. Accordingly, distributing and recipient agencies must manage their inventories to ensure that program recipients have an opportunity to consume all USDA donated foods (i.e., infant formula and other foods) before their expiration dates or use-by dates have passed.

Best-If-Used-By Dates

A "best-if-used-by" date is the last date a food item will be at its peak, in terms of flavor and quality. At some point after that date, the product will begin to undergo changes in taste, color, texture, and/or nutrient content. However, the product may be wholesome and safe to consume, and retain most of its nutrient value, long after the "best-if-used-by" date. Nevertheless, distributing and recipient agencies must consider "best-if-used-by" dates in managing their USDA donated food inventories, and distribute USDA donated foods in a manner that allows them to be consumed by such date.

Sell-By Dates and Pack Dates

A "sell-by" date is the date by which the manufacturer recommends that a store sell the food product, and is not necessarily a reliable indicator of how long it may retain its wholesomeness or nutritional value.

A "pack date" indicates when the product was packaged or processed. While it may help to determine the age of the product, it does not necessarily provide useful information on its wholesomeness or nutritional value.

Food Safety

USDA donated foods that show signs of spoilage, infestation, or other visible defects should not be used or distributed, regardless of product dates or when the foods were received, as such food is generally considered not fit for human consumption. If there are no visible defects, but there is a question as to the wholesomeness or safety of USDA donated foods, the distributing or recipient agency must have the foods inspected by State or local health authorities as soon as possible, and must contact IDOE before taking further action.

For questions or comments, please contact the IDOE Food Distribution Program at 317-317-232-0850 or toll free: 1-800-537-1142.