

SUBJECT: Transfer of USDA Commodities Between Recipient Agencies and for Other Uses

A. Purpose.

1. This policy provides guidelines and procedures to be followed when United States Department of Agriculture (USDA) donated commodities are transferred between recipient agencies (RAs).
2. This policy provides guidance in the transfer of USDA donated commodities from a recipient agency to bona fide experimental or testing agencies, or for use in workshops, or for demonstrations or tests relating to the utilization of such donated food by the recipient agency.

B. Scope. This policy applies to all Recipient Agencies (RAs) participating in the National School Lunch Program (NSLP), Summer Food Service Program for Children (SFSP), the Nutrition Services Incentive Program (NSIP) and Emergency Feeding Organizations (EFOs).

C. Authority.

1. Title 7 CFR Section 250.13 (a)(7), Demonstrations and Tests.
2. FNS Instruction 712-1, Use of Donated Foods For Training Students in Home Economics.
3. FNS Instruction 770-1, Use and Sale of USDA Donated Foods in Schools and Residential Child Care Institutions.
4. FDP 97-21, Policy Interpretation Regarding Use and Sale of Commodities in School Food Authorities
5. USDA, SERO Policy Memo 250.48-1
6. USDA, National Policy Memo FD-020, Single Inventory and Related Issues – Clarification of Regulatory Changes and Other Guidance.

D. Policy.

1. Transfers of USDA donated commodities to like (schools to schools) and unlike agencies (schools to food banks) must be approved by the Bureau and formally documented in advance if the commodities are stored in one of the State contracted warehouses. Transfers of USDA commodities at the recipient agencies' storage facilities, to like and unlike agencies do not need approval from FNS or the State and

arrangements should be made at the local level by the school food service authority.

2. All transfers between like and unlike agencies of USDA donated commodities initiated by a recipient agency that contracts with a Food Service Management Company (FSMC) must be approved by the Bureau and formally documented, with the exception of transfers between the NSLP and the SFSP.
3. Before delivery of ordered commodities directly to the RA, State contracted warehouse or RA commercially contracted warehouse, those commodities that were allocated on the Notice of Allocation issued by the Bureau and refused by one RA are not counted as transfers but are re-allocations.
4. The value of a commodity being transferred shall be the actual value for the commodity.

E. Acceptable Transfers.

1. Transfers. USDA donated commodities that are provided by USDA to the State's authorized level of assistance (entitlement or as bonus) may be transferred between like RAs (e.g., school to school, Nutrition Services Incentive Programs to Nutrition Services Incentive Programs, etc.) and unlike RAs (e.g., National School Lunch Program to Nutrition Services Incentive Programs) as specified in Section D.1. Transfers between the NLSP and SFSP do not need the approval of the Bureau if accomplished internally within an RA.
2. Transfer of Commodities for Use in Home Economics and Other Training. Schools may use USDA donated commodities in home economic training. High schools may also allow the use of such foods for training college home economic students if the same instructors and facilities are used in training both high school and college students. Although there is no limit as to the value or quantity of donated commodities that may be used in home economic classes, it is expected that relatively small quantities are being used for training purposes. USDA will not replace commodities used for training purposes.
3. Transfer of Commodities to Experimental or Testing Agencies. Transfer of commodities may be made to bona fide experimental or testing agencies for the development of new or improved recipes that will enhance the appeal of prepared commodities to the students. Testing and experimental agencies are those agencies that are licensed by the state to conduct such testing or those that are recognized locally as legitimate food research agencies.
4. Transfer of Commodities for Use in Workshops or Demonstrations. Transfer of commodities may be made to any workshop or for any demonstration program that is sanctioned by the recipient agency and whose objective is to teach school food service personnel current, new or improved methods for preparing USDA

student consumption.

5. Transfer For Use Other Than Training, Workshops or Demonstrations. Instances of other acceptable uses of commodities are:

- (a) Repackaging and selling commodities such as peanuts or raisins in the à la carte sales line.
- (b) Using commodities in training disabled children how to chew and swallow food.
- (c) Taste testing by faculty and/or students or school food service staff in developing new recipes.
- (d) Catering a banquet for an athletic team of the school. The value of the USDA commodities must accrue to the non-profit school food service account.
- (e) Selling baked items in the teacher's lounge if they are also sold/served to the students. The meal cost must be at least equal to or greater than the value of the commodities contained in the food. The value of the USDA commodities must accrue to the nonprofit school food service account.

F. Unacceptable Transfers. Examples of unacceptable uses of commodities are:

1. Catering services for schools not participating in the National School Lunch or Summer Food Service Programs.
2. Catering services for child care centers not participating in the Child and Adult Care Food Program.
3. Use in acceptable school activities where the value of the commodity is not returned to the nonprofit school food service account.
4. Commodities being used in any other non-student related events such as catering banquets for the Chamber of Commerce, partisan political functions or approving refreshments for Parents and Teachers Association (PTA), etc.

G. Required Transfers. A transfer of commodities must be made in the following situations:

1. Excessive Inventories. Inventories of donated commodities should not to exceed a six-month supply. Recipient agencies having an inventory exceeding a six-month supply or a quantity considered excessive to their needs are recommended to transfer the excess commodity to another recipient agency that can use them without waste or spoilage. (See Exhibit A, Best if Used By – NSLP Fact Sheets)

2. Program Cancellation. Any recipient agency that withdraws from the Food Distribution Program may retain any remaining unused commodities if they will be used for the program.
3. Summer Camps for Children. At the end of the camping season, summer camps must report the quantity of unused commodities to the Bureau. Any remaining food must be transferred to another recipient agency.

H. Procedures.

1. Whenever a recipient agency has commodities that it wants to transfer to an unlike agency, it must contact the Bureau. The Bureau cannot guarantee that it can find another recipient agency willing to accept the commodities. All transfers of USDA donated commodities to unlike agencies must be formally documented using the Commodity Transfer Authorization form (See Exhibit B, Commodity Transfer Authorization form). This form will be completed by the Bureau based on the information provided by the recipient agency. Any commodity over one year old from the date of requested transfer can be transferred only with the expressed consent of the recipient agency to which the commodity is being transferred. Any commodity that is over 2 years old from the date of the requested transfer must be inspected by the local health department or Florida Department of Agriculture and Consumer Services' Food Safety Inspector (850-488-3951) in order to determine its wholesomeness for human consumption. It is the responsibility of the recipient agency wanting to transfer the commodities to arrange for an inspection of the commodities. Exhibit C is a listing of the county health departments.

Please note: In fairness to RAs accepting a transferred commodity, if an RA requires or requests that a product be transferred because of oversupply or underutilization, the Bureau will first seek to transfer the product with the newer pack dates or receive dates from that agency (or with the most recent DO). If the RA has only old products available, but also has a new allocation pending, the new allocation will be transferred and the existing product will be left to be used by the underutilizing RA.

2. If the commodities being transferred are at a commercial warehouse, the recipient agency receiving the commodities is responsible for contacting the warehouse and arranging for delivery. The recipient agency transferring the commodities is responsible for fees and storage charges prior to the date of transfer.
3. If the commodities being transferred are in storage at the recipient agency's facility, then the two recipient agencies will arrange for mutual delivery date.