

SUBJECT: Use and Sale of USDA Donated Commodities

A. Purpose. This policy prescribes guidelines for using USDA donated commodities for training programs and other school related activities.

B. Authority.

1. Title 7 CFR 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 by School Food Authorities.
5. SERO, USDA Policy Memo 250.48-1.
6. USDA National Policy Memo FD-020, Single Inventory and Related Commodity Issues-Clarification of Regulatory Changes and Other Guidance.

C. Scope. This policy applies to all Recipient Agencies (RAs).

D. Background.

1. Public Law 86-756, amended, provides that schools receiving donated commodities are authorized to use such commodities in training students in home economics. Home economics training includes classes in general home economics, food purchase, nutrition, food preparation, cooking, child care and health.
2. Section 19 of the Child Nutrition Act of 1966 as amended, authorizes USDA to formulate and carry out the Nutrition Education and Training (NET) Program for the:
 - (a) Nutrition training of educational and food service personnel.
 - (b) Food service management training of school food service personnel.
 - (c) Conduct of nutrition education activities in schools and child care institutions. To the maximum extent possible, child nutrition training programs are to be used as learning experiences.

E. Policy.

1. In training students in home economics, schools may use commodities received for their nonprofit food service programs. High schools may allow the use of such foods for training college home economics students if the same facilities and instructors 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 economics classes, it is expected that relatively small quantities are used for training purposes.
2. The USDA will not replace commodities used for training students in home economics or other authorized training.
3. USDA expects participating schools and institutions to use any donated commodities or processed end products containing donated commodities in the preparation of required food items or side dishes of the reimbursable lunch. Additionally, they may be used in the preparation of meals served under any other meal activity operated in the school or institution under the nonprofit food service account (e.g., School Breakfast Program, After School Snack Program, a la carte sales, and meals and snacks in residential child care institutions).

F. Uses of USDA Donated Commodities for Activities Other Than Training.

1. Examples of other acceptable uses of commodities are:
 - (a) Repackaging and selling commodity peanuts in the a la carte sales line.
 - (b) Serving commodity beef patties at a football banquet. The value of the commodities must accrue to the nonprofit food service account.
 - (c) Using donated commodities in baking items sold in the teacher's lounge if they are also sold/served to the students.
 - (d) Developing new or improved recipes for taste testing by teachers and students or school food service personnel.
2. All meal costs must be at least equal or greater than the value of the commodities contained in the meal. The value of the USDA commodities must accrue to the nonprofit school food service account.

G. Unacceptable Uses of Commodities.

1. Catering services for schools not participating in the National School Lunch Program.

2. Catering services for child care centers not participating in the Child and Adult Care Food Program (CACFP).
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 non-student related events such as catering banquets for the Chamber of Commerce, partisan political functions or providing refreshments for the Parents and Teachers Association (PTA), etc.

H. Records and Review.

1. It is essential that appropriate records be kept on all commodities consumed for the activities described herein. Records on the use and sale of USDA donated commodities will be examined during review of recipient agencies by the Bureau.
2. It is acknowledged that monitoring and maintaining records for the incorporation of USDA donated commodities with other foods in the kitchen is difficult, especially where catering services are ongoing. However, school food service authorities must ensure that USDA commodities are used for the benefit of the intended recipients: the students participating in the NSLP and the SFSP.