

SUBJECT: Maintenance of Records

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**A. Purpose.** This policy provides guidance on keeping accountable records for USDA commodities received by the Recipient Agency (RA).

**B. Scope.** Applies to all RAs.

**C. Authority.** Title 7 CFR, 250.16 (a) (2), Maintenance of Records, charges the Bureau to see that applicable RAs maintain accurate and complete records regarding the receipt, distribution, disposal and inventory of donated foods, including end products processed from donated commodities, and with respect to any funds that arise from the operation of the distribution program, including refunds made to RAs by processors.

**D. Required Records.**

1. All RAs must maintain accurate and complete records regarding the receipt of commodities.
2. Each processor, Food Service Management Company, warehouse or other entity that contracts with the State or RA is required to keep accurate and complete records associated with the receipt, storage, distribution/disposal and inventory of such foods.
3. Where donated foods have been commingled with commercial foods, the processor must maintain records which permit an accurate determination of the donated food inventory. The processor also must maintain records on formula recipes, daily batch production records, loadout sheets, bills of lading and other processing and shipping records to substantiate the use of such foods and their subsequent re-delivery in whatever form to any entity. The processor must maintain records used as a basis for compiling the processor's performance reports.

**E. Compliance.** Failure by an RA to maintain records required by this manual will be considered prima facie evidence of improper distribution and loss of donated foods and will result in a loss claim for the value of the commodities. Entities whose records are automated (computerized) must comply with all of the record keeping requirements and must be able to retrieve complete and accurate records. All records must be kept for three years plus the Federal Fiscal Year to which they pertain.

**F. Record Keeping Plan for RAs.** A good record keeping plan includes the following:

1. What records will be kept?
2. How will the records be kept? The RA may have a particular filing system in place.

Generally, however, records are filed alphabetically, chronologically (by date) or numerically, and possibly a combination of the three methods. Whatever system is used, keep your records organized and complete.

3. Who will keep the records? The larger the RA, the more likely that several people will be keeping the records for the Food Distribution Program. For example, the cook might be keeping the production records (food usage) and a perpetual inventory at the production site, but the RA's clerical staff might be responsible for monitoring the daily meal count data and paying weekly or monthly invoices. Develop a plan for who will be responsible for each record that must be maintained. It is important to keep records in a location accessible to where they are used. Keep track of them with the Records for Recipient Agency Review (Exhibit P). Records are also to be in order for reviews conducted by Bureau of Food Distribution staff.

#### **G. USDA Commodity Receipt Records.**

1. Keeping Records on Commodities Received. A major activity of receiving USDA commodities is keeping an accurate record of the commodities received. The number and type of records that should be employed depend on the size of the RA, degree of automation and type of warehousing and delivery system used.
2. The RA's records should be developed from information available on WBSCM or received from or through the warehouses. The documents include:
  - (a) Requisition by PCIMS Report. (WBSCM)
  - (b) Commodity Transfer Authorizations.
  - (c) Warehouse order forms.
  - (d) Delivery invoices and/or bills of lading.

**H. Perpetual Inventory Record for RAs.** Once a commodity is received in the warehouse, the RA **may** monitor or track the usage through a perpetual inventory record. The actual record may be a card, form or computer record and **may** include the following:

1. Name of the commodity received.
2. Delivery Order Number (DO#).
3. Date the commodity was received.
4. Quantity received (cases).

5. Number of units received (pack size times number of cases received).
6. Number of Units used.
7. Number of discarded/destroyed units.
8. Book balance of inventory on hand.
9. Reconciliation of records quantity to physical count along with an explanation of any adjustments made.

**I. Commodity Processing Records.** Besides having the approved contract on file, the RA must have the following records:

1. Monthly applications for refunds if the processor is using the refund method.
2. Deposit of refunds into the food service account.
3. Purchase records if the processor is using the discount method.
4. Purchase records if the processor is using the fee for service method.

**J. Maintenance.** All records must be maintained for 3 years following the end of the fiscal year to which they pertain.