

USDA Foods

***Commodities, Processing, Department
of Defense (DoD) Fresh Fruit and
Vegetable Program***

USDA Foods

Eligible Recipient Agencies and Participation	N-3
Availability and Allocation.....	N-4
Annual Order.....	N-5
Delivery	N-7
Storage Requirements	N-9
Processing USDA Foods	N-10
Excess Inventory at Processors.....	N-11
DoD Fresh Fruit and Vegetable Program and Allowable Uses	N-12
Complaint Procedures, Losses, Transfers	N-13
Food Alerts, Holds, Recalls, Reviews, Value of USDA Foods Received	N-14
Disaster Relief Feeding.....	N-15
Buy American.....	N-15



Additional Resources

- [ISBE Food Distribution Program Website](#)
- [USDA Food Distribution Program Website](#)
- [Illinois Commodity System Login](#)

Introduction

The Illinois State Board of Education (ISBE) administers the Food Distribution Program (FDP) in Illinois. Through this program, surplus food provided by the United States Department of Agriculture (USDA) is distributed to eligible recipient agencies. These donated foods help meet the nutritional needs of children in schools and summer programs.

All agencies involved with the USDA Food Distribution Program must follow the procedures found in federal regulation 7 CFR Part 250. A link to this document is available on the [Food Distribution Program](#) website in the *Resources* section, *Legislation, Regulations, and Policy*, then under *Food Distribution Program* select *Regulations*.

Eligible Recipient Agencies

USDA Foods (government donated commodities) are available to recipient agencies in conjunction with participation in one of the following programs:

National School Lunch Program (NSLP)

Through this program schools and residential child care institutions must provide meals that meet federal guidelines. Recipient agencies receive USDA Foods and cash reimbursement for meals served to children.

Summer Food Service Program (SFSP)

Through this program, schools, units of state and local government, nonprofit private organizations, and residential summer camps provide meals to children during the summer months when school is not in session. Recipient agencies receive federal reimbursement for meals served to children. USDA Foods are available to those agencies that either prepare their own meals or receive their meals from a school food authority (SFA).

Participation in the Food Distribution Program

To participate in the FDP, the recipient agency must participate in the NSLP or SFSP. As a participating site in the NSLP, recipient agencies are expected to participate in the FDP and use USDA Foods to the best of their ability.

Completing the yearly NSLP application automatically enrolls schools in the FDP; however a USDA Foods order must be placed on the Illinois Commodity System (ICS) by the SFA annually.

All records pertaining to the FDP must be maintained on file for current year plus 3 years prior, if under investigation or audit, until the investigation or audit is completed.

USDA Foods Availability

The USDA purchases and makes available to states a variety of foods. The mix of foods can change annually due to availability, cost of acquisition, and preferences of recipient agencies. The USDA seeks to obtain the largest quantity available at the lowest cost. The USDA advises

each state of the types and quantities of foods that might be available. Each state evaluates its needs and reports them to the USDA.

The USDA has successfully expanded the variety and forms of USDA Foods available, with more than 140 products available for distribution. USDA Foods provide approximately 15-20% of the food offered in each school lunch. In addition, the USDA has reduced fat, sugar, and salt content in recognition of the *Dietary Guidelines for Americans* published jointly by the United States Department of Health and Human Services and the USDA.

Purchases of bonus USDA Foods supplement the basic plan. Bonus foods are a surplus that the USDA wants to remove from the market in an orderly manner. Recipient agencies may order all they can use without waste.

USDA Foods Allocation

Each state receives USDA Foods based on the total number of eligible meals claimed in the NSLP in the state, multiplied by the federal assistance rate, which is determined by the USDA. In turn, each SFA receives a fair share of the state dollars based on their meals claimed which is referred to as their Planned Assistance Level (PAL). PAL is the amount SFAs are entitled to in USDA Foods value. The SFA's PAL is listed on their Annual Order Form (AOF) to assist when placing their order. PAL USDA Foods consist of dairy, grains, nuts, oils, meats, poultry, fish, fruits, and vegetables.

In addition to PAL USDA Foods, the USDA may make special purchases of foods called *bonus*. Bonus are not charged against the state's or school's PAL. Most bonus USDA Foods are one-time or limited-purchase items, and are allocated to states on a fair-share basis based on the number of NSLP meals claimed.

The state orders food from the USDA based on the quantities requested by the SFAs. The USDA purchases and ships the food to the state-designated warehouses, usually within the specified delivery periods. An *Anticipated* USDA Foods Chart lists the month(s) each USDA Food may be allocated as well as indicates if it will be a PAL or bonus USDA Food.

In Illinois, a contracted transportation company receives, stores, and delivers the USDA Foods to schools' designated delivery sites. Schools receiving the food pay the costs of these services directly to the contractor.

Representatives from ISBE and/or the regional USDA office periodically monitor the schools through the Administrative Review process. The reviewer will monitor the storage facilities, record keeping procedures, and usage.

Annual Order

All USDA Foods ordering is done annually on the Illinois Commodity System (ICS). This website can be accessed from the [Food Distribution Program](#) website and clicking on [ICS](#) near the middle of the page.

New Users Only: Before accessing ICS, SFAs must register as a first time user. To register, access the [FDP website](#), print a copy of the *ICS New User Registration Form*,

complete and fax the registration form to 217.782.4550. Indicate if a former employee is being replaced so ISBE can make them inactive. SFAs will receive an email from ISBE confirming login identification and password. Each school must have a “user” and a backup. Schools that contract with a food service management company (FSMC) must access the system on a regular basis to monitor USDA Foods usage.

SFAs order USDA Foods from the state by completing an Annual Order Form (AOF). This is usually due the beginning of the calendar year, for the next school year. USDA Foods Orders can be updated throughout the year if necessary; with the exception of processing diversions and the DoD Fresh Fruits and Vegetables amount. Detailed instructions are available on the [FDP website](#).

There are three options available to place the annual order. One, two or all three of the following can be used.

- DoD Fresh Fruits and Vegetables
- Diversions to Processors
- USDA Foods

To place the Annual Order, the SFA must follow the steps below in the order listed:

Step 1 - DoD Fresh Fruits and Vegetables Program

ALL Schools have the option of participating in the DoD Fresh Fruits and Vegetables Program. The SFA must choose yes or no before proceeding to the Diversion to Processor Form or the Annual USDA Foods Order Forms. If yes is selected, user are required to indicate the amount of PAL \$’s to be spent. The Beginning PAL Balance is indicated in the upper right hand corner of the screen. Any amount up to 100% of the Beginning PAL Balance may be used towards DoD. Participation in DoD is not required. The value selected for DoD is deducted from the Beginning PAL Balance. All PAL dollars not used towards the DoD program will be available for diverting USDA Foods for processing or USDA Foods. If the entire PAL balance is used for the DoD program, diversion to processors or order PAL USDA Foods will not be allowed. The DoD dollar amount cannot be changed after a specified cut-off date. Orders and performing good receipts are required to be done on FFAVORS to use this money. This is a “use it or lose it” program, so do not designate money for this program that is not going to be used!

Step 2 - Diverting USDA Foods for Processing (optional)

SFAs desiring to divert USDA Foods to an approved processor must indicate on the Diversion to Processor form the processor, USDA Foods category and the pounds of raw USDA Foods to be diverted. Before diverting raw USDA Foods, verify with the distributor that they carry the end products needed. Processing balances can be checking on K-12 and ProcessorLink. DO NOT divert if there are large balances, low usage or the distributor does not carry the end products! If there is a large balance showing little or no usage, but end products have been received, please contact the distributor, K12 or ProcessorLink to make sure the correct distributor information is listed on the system. It is school/districts responsibility to track the drawdown of pounds and verify receipt of processed end products on K12/ProcessorLink each month. The value of product diverted to a processor is deducted from the Beginning PAL Balance. The remaining PAL becomes available for all other PAL USDA Foods. If pounds diverted to a processor are not used, they will be removed from school/district account and deposited in the State of Illinois account, where other schools can claim them on a first come, first serve basis.

Note: A combination of DoD Fresh Fruits and Vegetables and Diversions to Processors cannot exceed the Beginning PAL Balance. These are both actual orders, ISBE will deduct these amounts from the Beginning PAL Balance. If any money remains, which will be indicated in the “*Available for PAL Requests*” field (located in the upper right-hand corner on all order forms), orders can be placed on the Annual USDA Foods Order Forms.

Step 3 - Ordering PAL/Bonus USDA Foods

The SFA completes the USDA Foods PAL orders by indicating the maximum number of cases that can be effectively utilized in the school year, taking into consideration the item will most likely not be available for all delivery periods due to availability and/or popularity. The state agency can only order USDA Foods when the USDA makes an offer. Since it is impossible for ISBE to know at ordering time what will be available the following year, schools are encouraged to over order PAL items by 25–35 percent. The SFA most likely will not receive everything requested. This will give better coverage of all possible items, and schools are more likely to receive their full PAL. The PAL value will not be deducted from the Beginning PAL Balance until it is actually allocated monthly to the SFA. Bonus requests are made in a similar manner to ordering PAL USDA Foods. The value of bonus is not deducted from the SFA’s PAL dollars.

The state orders from the USDA based on the total maximum requests placed by SFAs and disperses deliveries over as much time as possible given the constraints of the USDA-specified delivery periods. An *Anticipated* USDA Foods Chart lists the month(s) each USDA Food may be allocated as well as indicates if it will be a PAL or bonus USDA Food.

There are nine regular delivery periods coinciding with calendar months. The first delivery period is August 1–31 with the last one being April 1–30. In the month prior to each delivery, a Monthly USDA Foods Bulletin is generated for each SFA and posted by the 13th on the ICS website listing the USDA Foods allocated for delivery that next month.

Each month between the 13th and 20th, a “window of opportunity” is available for SFAs to modify their delivery for the following month. There are three options:

- 1) SFAs can have the whole month’s allocation held until the next month. This is recommended when the allocation is small or delivery is estimated to be during a school break, such as Christmas or spring break.
- 2) SFAs can have a portion of the month’s allocation held until the next month. This is recommended when more product is allocated than is able to be used or stored for that month.
- 3) In addition, SFAs with more than one delivery site may change the amount each site is receiving and *move* the product from one site to another. This is recommended when the SFA has multiple delivery sites and each site is allocated such a small number of cases that it does not warrant the minimum delivery fee.

If a product is held more than two months, private storage charges will be assessed. More details can be found in the [Illinois Commodity System Instruction Manual](#).

USDA Foods Delivery

In Illinois, a contracted transportation company receives, stores, and delivers the USDA Foods to schools' designated delivery sites. Although the USDA Foods are free, schools are responsible for delivery fees, which are based on storage type.

The contract with the transportation company specifies the delivery charge is based on the USDA Foods being unloaded from the truck and placed on the ground. A delivery dock is not required.

Each delivery point must be able to accept delivery Monday through Friday from 7 a.m. to 2:30 p.m. The transportation company will establish an *anticipated* annual delivery schedule for each delivery site providing the anticipated delivery week for each delivery period in the school year. This annual delivery schedule is available on the FDP and ICS websites and is based on school participation from the previous school year. The transportation company is also required to contact the delivery site at least 48 hours prior to the delivery and inform them of the actual delivery date the delivery will be made. At the option of the delivery site, weekly deliveries are available to any site with greater than \$40,000 annual PAL.

Custom deliveries may be prearranged or requested at the time of delivery. Custom delivery is the placing of USDA Foods in a central holding area determined by the delivery site. A custom delivery shall be assessed in 15-minute increments or portions thereof. For example, if it took 25 minutes to transport the USDA Foods to the area designated by the delivery site, the charge would equal the custom delivery rate times two. The current rate is \$11.25 per quarter hour. The charge for this example would be \$22.50.

A \$45.00 minimum delivery fee applies to each delivery site, each month. Typically, deliveries should be a minimum of 10-12 cases delivered, depending on the case size and storage types. The minimum delivery charge may make it undesirable to receive very small shipments.

In the event the transportation company is unable to meet the pre-assigned delivery date, the delivery site must be notified prior to the scheduled delivery. If the delivery is not made on the scheduled day, then the transportation company must make a custom delivery without charge. If the delivery site does not receive a 48-hour prior notification of a delivery date, the transportation company must provide a custom delivery at no charge to the delivery site. In either case, the alternate date must be within five working days of the originally scheduled delivery date.

If unforeseen circumstances caused the delivery site to take an *emergency day* and cause delivery on an alternate date, the transportation company is not obligated to provide a free custom delivery. If an *emergency day* occurs, causing non-delivery and return of USDA Foods to the transportation company's warehouse, the transportation company may charge a backhaul fee of \$3.50 per 100 pounds plus the attempted delivery fee, as well as the delivery fee when actually delivered. An *emergency day* is defined as an unscheduled official day of school closing entered on the official school calendar.

If, during the scheduled delivery date, the driver anticipates he will be unable to make all the scheduled deliveries, he must contact the schools not receiving deliveries prior to 2:30 p.m. to reschedule and provide a free custom delivery on the rescheduled delivery date.

Frozen foods must be maintained at 0°F or below, refrigerated food at 36–40°F, and dry foods at 50–70°F. Bulkheads must be used to split the frozen/refrigerated and dry items when donated USDA Foods are expected to remain on the truck/trailer for 24 hours or more.

Upon delivery, the recipient should check the shipment as follows:

- Count the items received
 - Check all items for damage
 - Check temperatures
 - Compare the delivery form to what was actually received
 - Reject damaged items
 - Note discrepancies on the delivery form in the *Amount Received* column (Identify the quantity and whether the items were missing or returned due to damage.)
 - Sign the delivery form
- NOTE: Once the delivery receipt is signed at the delivery site, the order as signed becomes the responsibility of the school.**
- Sign the custom delivery (if applicable)
 - Mark *yes* or *no* regarding delivery satisfaction
 - Record receiving date on each case/bag (If not stored in a case/bag, record receiving date, pack date, and contract number on each unit.)

If all or part of a delivery is refused (but not damaged) at the time of delivery, the delivery site will be charged a backhaul fee by the transportation company. The rate for this backhaul is \$3.50 per 100 pounds plus the attempted delivery fee, as well as the delivery fee when actually delivered. The USDA Foods refused will not be available until the reconciliation for that month has been completed. They will be listed on the next available Monthly USDA Foods Bulletin before schools/districts will have access to them. It is generally 2 months before these products can be received.

Schools that operate their own food service are no longer required to maintain a separate inventory for USDA Foods; however, perpetual inventories must be kept at every location where USDA Foods are received and stored. USDA Foods should be stored so foods with the oldest pack dates are used first. There are many ways of ensuring first in, first out (FIFO) is taking place; e.g., computerized locator systems, color-coded locator systems, or marking the containers with pack date.

Approximately ten days after the delivery, the recipient agency will receive an invoice listing the USDA Foods delivered and the shipping charges due the transportation company. Although recipient agencies do not pay for the value of the USDA Foods, they are responsible for the delivery charges. Delivery rates are based on the type of storage required for each USDA Food and the gross weight of the product delivered. The minimum delivery charge may make it undesirable to receive very small shipments.

Recipient agencies that require signed vouchers for delivery charges should send a letter to inform the delivering carrier of the proper voucher procedures. A set of blank vouchers should be included with the letter. The carrier will complete a voucher each month, attach it to the invoice, and mail it to the recipient agency.

Notify the delivering carrier if an organization other than the recipient agency has been designated to file the remittance. Payments for the delivery of USDA Foods should be made payable to the delivery carrier. All correspondence, calendars, and checks should include the

recipient agency's agreement number. In addition, include the invoice number on the check submitted for payment.

Storage Requirements

Recipient agencies are responsible for providing and maintaining proper storage for the USDA Foods received. USDA Foods may be stored within the confines of the recipient agency's facility or at an outside storage facility. USDA Foods cannot be stored in private homes. Recipient agencies using an outside storage facility must maintain an agreement signed by both parties that includes the terms and conditions of the storage arrangement; i.e., cost, temperature requirements, liability. The recipient agency must also maintain inventory records of the USDA Foods and quantities in outside storage and check the product periodically to ensure wholesomeness. All storage must meet the USDA required [Hazard Analysis and Critical Control Point \(HACCP\)](#) practices.

Recipient agencies are required to annually conduct a sanitation review of storage facilities and to take a physical inventory, reconcile book inventory to physical inventory, and document any differences between book and physical inventory. On the perpetual inventory, indicate lost, stolen, or out-of-condition USDA Foods. The recipient agency must maintain sanitation reviews and inventory records on file.

Regulations require no more than a six month inventory level be maintained. ISBE recommend all USDA Foods be used within six months of the date of receipt. USDA Foods that will not be used should be transferred to other recipient agencies that participate in the Food Distribution Program.

Infestation, spoilage, deterioration, and contamination of foods usually occur because of malfunctioning refrigeration equipment or improper storage practices. Listed below are desirable practices to follow.

- A. Recommended Storage Temperatures
 - 1. Dry = 50-70°F
 - 2. Refrigerated = 36-40°F
 - 3. Frozen = 0°F or below

- B. Refrigerator/Freezer Storage
 - 1. Foods should be stored only in refrigerators and freezers operating properly and in good repair.
 - 2. Thoroughly clean and dry refrigerators and freezers before placing foods in storage.
 - 3. Place foods on pallets or shelves, with a one- to two-inch space left between the walls and food containers to insure proper air circulation. To prevent damage, foods should be properly stacked.
 - 4. Take and record daily the temperatures in the refrigerators and freezers. Recording thermometers should be on the outside of the refrigerators and freezers for easy viewing of the temperatures without opening the doors.
 - 5. Check thermometers and other refrigeration equipment periodically to ensure they are operating properly. Repair malfunctioning equipment immediately. This is especially important over summer break.
 - 6. Refrigerators and freezers should be equipped with an alarm system to detect low/high temperatures or power failures. Check refrigerators and freezers

- immediately after a power failure to make sure they are operating properly and stored foods are still in good condition.
7. Lock all refrigerators and freezers. Only authorized personnel should have access.
- C. Dry Storage
1. Maintain an insect and rodent control program.
 2. Walls, floors, and ceilings should be smooth, impervious to moisture, easy to wash, and vermin-proof.
 3. Containers of food should be stored a minimum of six inches off the floor to protect the food from contamination and permit easy cleaning. Containers may be stored on dollies, racks, or pallets that are easily moveable.
 4. Lock storerooms. Only authorized personnel should have access to storage areas.
 5. Allow one to two inches clearance between all walls and stored food for ventilation.
 6. Thermometers should be conveniently located and checked daily.
 7. Label foods removed from their original containers and stored in bulk containers with the common name for contents.
 8. Cleaning and sanitizing supplies must be stored in a separate area from food.
 9. Chemicals used in pest control must be stored separately from food supplies and cleaning supplies.
 10. Food should not be stored under exposed or unprotected sewer lines or water lines.
 11. All items should be properly cross-stacked on pallets to provide for circulation and to prevent them from toppling. Bagged items and those requiring fumigation and insect control should not be stored in large masses in corners of the storeroom or directly against the wall.

Processing USDA Foods

SFAs may choose to send USDA Foods to a processor and have them converted into end products the SFA deems more acceptable. This can be done during the annual order period only. SFAs wishing to have USDA Foods diverted for further processing must indicate the processor, donated food and the pounds of raw USDA Foods to be diverted on the AOF, Diversions to Processor form. The value of PAL USDA Foods diverted for processing is deducted from the school's Beginning PAL Balance. If the diverted USDA Foods is a bonus, the value is not deducted.

When processing, keep track of the USDA Foods processing diversion balances on either K12 or ProcessorLink. (Each manufacturer chooses which program they prefer to use.)

There are three basic ways for recipient agencies to obtain the value pass-through for finished end products. Those three ways are:

Fee for Service

When the processors have manufactured the end products, they deliver them to the contracted warehouse for delivery with the school's monthly USDA Foods delivery. The processed products appear on the Monthly USDA Foods Bulletin for that month. The SFA will receive a bill from the processor for the processing costs and will pay delivery charges to the contracted warehouse. Schools should pay the processing costs when 1) they have a statement from the processor and 2) the product appears on their Monthly USDA Foods Bulletin. If schools choose to have processed product held at Lanter for delivery in subsequent months, they need to pay the processor for the entire amount

listed on the Monthly USDA Foods Bulletin. Processors calculate charges based on prompt delivery, and are not responsible for carrying a school's debt for 30–60–90 days.

Rebate

If the processor participates through a rebate program, schools purchase the products from a local distributor. SFAs are responsible for applying directly to the processor for their rebate. The rebate is for the value of the USDA Foods diverted to manufacture their end products.

Net-Off Invoice

Schools purchase the processed end products from a local distributor at a reduced price. The price reduction reflects the value of the USDA Foods diverted in that product.

Schools interested in having some of their USDA Foods processed, should attend an Illinois State Board of Education sponsored USDA Foods Show, which is held each Fall or Winter. In addition to sampling the various end products, school personnel can meet company representatives and discuss the processing program.

Excess Inventory at Processors

USDA regulations require USDA Foods inventories held at further processors be monitored. The regulations require no more than a six-month inventory level be maintained based on the processor's average monthly usage. To ensure this requirement is met, the inventory level procedures below were implemented.

For any given school year:

- Any processor inventory balance rolled over from the previous school year by a school must be used by October 31.
- Any prior year inventory not used by October 31 will be removed from schools accounts and transferred to the State of Illinois account. In some cases, if there is no usage by a school, pounds may be swept sooner.
- Inventory in the State Account will be available on a first come first served basis. Those schools claiming pounds should be familiar with USDA Foods processing procedures and end product distribution.
- Schools must contact processors/brokers on an individual basis to claim the inventory transferred to the State of Illinois account.
- No credit will be given to the school forfeiting the inventory and nothing will be charged to the school claiming the inventory.

Department of Defense Fresh Fruit and Vegetable Program

Illinois annually receives money from the USDA to provide fresh fruits and vegetables to schools through the Department of Defense (DoD). On ICS, SFAs indicate the amount of their Beginning PAL Balance they would like to use. Once an amount is determined, the school can spend the remaining PAL dollars, which will be indicated in the "*Available for PAL USDA Foods Requests*" field, on processing diversions and USDA Foods. The amount designated by the school will be posted on the AOF on ICS for that year. The amount is also listed on each

Monthly USDA Foods Bulletin, however; since DoD and ICS systems are not linked, monthly bulletins only show the amount available without draw-downs.

Schools participating in this program must have a login and password for the DoD's Fresh Fruit and Vegetables Online Ordering System (FFAVORS). Schools are required to place orders and perform a goods receipt on FFAVORS. FFAVORS also maintains the SFA's fund balance. Deliveries are made by local DoD contracted vendors. The DoD Ordering Manual and vendor list is available on the FDP website. To contact DoD for assistance with FFAVORS, please call 215.737.5373.

Allowable Uses of USDA Foods

USDA Foods are made available in conjunction with the recipient agency's approved food service operation. Schools primarily use USDA Foods in the preparation of reimbursable meals.

However, recipient agencies can use a portion of USDA Foods in workshops, for demonstrations, or for tests relating to the utilization of the product. The recipient agency or a bona fide experimental or testing agency may perform the tests. For a product to be tested by an outside agency, the transfer must be approved by ISBE.

Schools may use USDA Foods for training students in home economics, nutrition, food preparation, child care, or other health related courses. USDA Foods used for training purposes will not be replaced; therefore, schools should determine whether the USDA Foods and quantities requested for training purposes might negatively affect the needs of the lunch program. The products containing USDA Foods may not be sold unless the proceeds accrue to the school's nonprofit food service account.

The recipient agency must maintain records of the kinds and quantities of foods used for training, demonstrations, and testing purposes. Records should include the USDA Foods, quantities, date of transfer, and name of the group/agency that received the products.

In addition, USDA Foods may be used for preparing items for a la carte sales and adult meals served during the regularly scheduled breakfast and lunch period as long as the same USDA Foods or prepared items are served at some time during the year as a required component or side dish of the reimbursable meal.

The cartons, tins, etc., in which USDA Foods are packaged, may be sold by recipient agencies.

**All funds derived from the sale of donated USDA Foods or containers
must be deposited in the nonprofit food service account.**

Complaint Procedures

Schools should notify ISBE when there is a concern that a USDA Foods may not be safe for consumption or the quality of the product may not meet generally accepted standards. Schools can print the USDA Foods complaint form off the FDP website, complete, and fax it to ISBE at 217.782.4550.

Schools need to provide as much information as possible regarding the USDA Foods. Some key pieces of information include:

- USDA Foods name and code
- Date product received
- Amount received and amount remaining
- Any information from the case or container: Can codes, pack date, box number, and vendor.

ISBE will file complaints with the Illinois Department of Public Health and the USDA. Schools should take photos and keep as much evidence of the problem as is practicable. Discard the evidence if there is no request to have the product picked up and examined within four weeks.

Schools should notify ISBE when there is a concern regarding the USDA Foods delivery as well. Schools can print the Delivery Complaint on USDA Foods form off the FDP website, complete, and fax it to ISBE at 217.782.4550.

USDA Foods Losses

All USDA Foods losses must be documented. Documentation of losses comes under the requirements of the Single Inventory Record Keeping System (as described in USDA Memorandum FD-020). When a loss occurs under this system, the SFA is required to use the same procedures currently in place for reporting the loss of purchased products. Therefore, SFAs are not required to report USDA Foods losses to ISBE. Document the loss in the SFA's inventory records. However, the SFA remains responsible for ensuring all nonprofit food service resources are safeguarded and reminded that any misuse of nonprofit food service resources is subject to criminal prosecution under Section 12(g) of the National School Lunch Act.

USDA Foods Transfers

USDA Foods that cannot be used by a recipient agency should be transferred to another site under the same recipient agency or to another recipient agency. Recipient agencies may only accept the types of USDA Foods offered to them through the Food Distribution Program during the last twelve months.

When transferring USDA Foods, the recipient agency initiating the transfer must develop a list that includes the agreement numbers of both recipient agencies and the USDA Foods and quantities being transferred. Each recipient agency needs to maintain this list in their inventory.

Excess USDA Foods cannot be distributed for personal consumption under any circumstances.

Food Alerts, Holds, and Recalls

There are three levels of warnings that can be issued relating to the safety or quality of USDA Foods. These three levels are *alerts*, *holds*, and *recalls*.

Alerts may be issued when there is doubtful food quality or suspicion that there may be a safety issue that has not yet been proven. Alerts are posted on the ICS website Message Board.

When a product is potentially hazardous, or has not been produced according to specifications, it may be placed on *hold* by the USDA or the Illinois Department of Public Health (IDPH). Depending on the severity of the problem and the time the *hold* is received, a recipient agency may be informed of the hold by one of several methods.

- The *hold* information will be posted on the ICS website Message Board.
- Emails will be sent to the National School Lunch Program contact person at each school.
- Notices may be sent by U.S. mail.
- Notices may be sent by fax.
- Phone calls to schools may be placed.

If it is determined the product should be *recalled*, notification to the SFAs is the same as for a *hold*. There will be additional information regarding how and when the return pick-up will be conducted. Depending upon the quantity at each SFA, schools may be instructed to destroy the product locally in lieu of a pick-up and return.

Food Distribution Programmatic Reviews

Programmatic Reviews of the FDP are conducted as a part of the National School Lunch Administrative Review. These are conducted at each SFA every 3 years. The reviewer will monitor the storage facilities, record keeping procedures, and usage.

Total Value of USDA Foods Received

A Total Value of USDA Foods Received by School Report will be available on the FDP website by July 31 for the previous school year. It is an alphabetical listing of all schools that were in the Food Distribution Program summarizing the value of all USDA Foods received for the year.

Disaster Relief Feeding

Once the federal government declares a disaster area, the USDA will make USDA Foods available to feed victims of the disaster. Schools, both public and private, may act as disaster-relief facilities or as sources of food to disaster-relief agencies. ISBE and the appropriate state or federal Emergency Management Agency will coordinate this effort.

Buy American

When purchasing food with federal funds, recipient agencies must purchase food produced in the United States (U.S.). The USDA defines foods produced in the U.S. to be:

- An unmanufactured product of United States origin, or
- A product manufactured in the United States

Exceptions to this rule include:

1. Purchases of ethnic or unusual foods
2. Products not produced in the United States
3. U.S. products whose costs were determined unreasonable through competitive bidding