POLICY ALERT

Date: December 12, 2007
Reference: # FDP 2008-3
To: Food Distribution Program (FDP) Contractors
Subject: Requirements for School Food Authorities (SFAs) Acting as a Collective Unit in the Control and Use of Donated Foods
Effective Date: Immediately

Purpose
This Policy Alert explains the requirements for school food authorities (SFAs) when acting as a collective unit in the control and use of donated foods.

Implementation
Immediately

Definitions
School Food Authority (SFA) Collective Unit is a group of SFAs that join together into a school cooperative (co-op) or consortium.

Procedure
In performing any activities with donated foods, the SFA collective unit (i.e., cooperative or consortium) is subject to the same requirements and may exercise the same options as a single SFA. Examples of donated food activities are:

- Selection or ordering;
- Receipt and storage;
- Use of donated foods in preparing and serving meals; and
- The procurement of goods and services from commercial enterprises (i.e., in processing of donated foods).

The SFA collective unit:
- May select donated foods and submit such selections to the Texas Department of Agriculture (TDA);
- Must utilize single inventory management, i.e., commingle donated foods and commercially purchased foods in storage and maintain a single inventory record of the commingled foods;
- Is not required to conduct an inventory of donated foods or to reconcile and offset donated food inventory losses; and
- Must use donated foods in school lunches or in other activities of the nonprofit school food service.

Each SFA must include the donated food activities to be performed collectively in the copy of the SFA’s collective unit’s agreement or contract. Although it is not mandatory, SFA may choose to require separate identification and control of each SFA’s donated foods.

continued

This Policy Remains in Effect Until Further Notice
Procurement of Goods and Services from Commercial Enterprises

Procurements must comply with Federal and State procurement requirements.

The SFA collective unit may procure goods and services from commercial enterprises (or from other entities such as private nonprofit organizations) to:

- Store donated foods;
- Process donated foods;
- Purchase finished end products; or
- Perform other donated food activities.

All donated food activities to be performed by a commercial enterprise or other entity on behalf of the SFA collective unit must be included in procurement documents and in the contract provisions. For example, the procurement may permit a commercial storage facility to store and inventory all donated foods together or to store such foods together with commercially purchased foods it is storing for the SFA collective unit. However, to ensure distribution of donated foods to recipient agencies and recipients eligible to receive them, a commercial storage facility must not commingle such foods with foods it is storing for itself or another entity.

Authority
United States Department of Agriculture (USDA) Correspondence FD-067

Contact
If you have any questions please contact your Contract Manager.