POLICY ALERT

Date: December 8, 2006  
Reference: # SFSP 2007-1

To: Summer Food Service Program (SFSP) Contractors  

Subject: Allowable and Unallowable Uses of United States Department of Agriculture (USDA) Donated Commodities in the SFSP

Effective Date: Immediately

Purpose

This Policy Alert supplements Section 3230; Commodities, of your SFSP Handbook concerning the allowable and unallowable uses of USDA donated commodities by SFSP sponsors.

Implementation

Immediately

Procedure

SFSP sponsors may use USDA donated commodities in other nonprofit food service activities as long as the income accrues to the nonprofit food service account.

Allowable Uses of USDA donated commodities:
- Breakfasts or other meals and supplements served in the SFSP;
- A la carte foods sold to children;
- Meals served to adults directly involved in the operation and administration of SFSP; and
- Training in nutrition, health, food service, or general economics instructions for SFSP participants.

Unallowable uses of USDA donated commodities:
- Banquets
- Catered events
- Activities that do not primarily benefit SFSP participants

Reimbursement of USDA donated commodities

Under the single inventory management system, it may not be possible to avoid commingling donated foods and commercially purchased foods. In such cases, the SFSP sponsor must ensure reimbursement to the nonprofit food service account for the value of the donated foods used in such activities, just as it must ensure reimbursement for other resources used from the nonprofit food service account.

Under the single inventory management system, if reimbursement cannot be made based on actual usage of the donated foods, the SFSP sponsor must establish an alternate method to ensure that donated foods do not subsidize food service activities that do not benefit SFSP participants. Example: The SFSP sponsor may include the current established per-meal value of USDA donated commodities assistance in the price charged for the food service activities.

continued

This Policy Remains in Effect Until Further Notice
**Procedure continued**  
**Note:** An SFSP sponsor must ensure that its contract with a food service management company to conduct the food service also provides for such reimbursement to the nonprofit school food service account.

**Authority**  
Food Distribution Policy Memorandum FD-060

**Contact**  
If you have any questions please contact your Area Program Office.