POLICY ALERT

Date: April 1, 2009                             Reference: # TEXCAP 2009-02
To: Texas Commodity Assistance Program (TEXCAP) Contractors
Subject: Responsibilities for Claims for Food Losses
Effective Date: December 10, 2008

Purpose

CLARIFY policy regarding the handling of claims for food losses.

REPLACE Item 4676, Claim Determinations.

Implementation

Immediately

Procedure

Replace Item 4676 with the following:

In the event of a food loss, contractors must complete and submit Form H1638, Report of Loss of Donated Food, and any other documentation of the reported loss to their Commodity Distribution Specialist. Contractors should file claims when losses occur because of negligence (that is, improper distribution or use of commodities or failure to properly store, handle or care for the food).

For the loss of food up to $2,500, the Texas Department of Agriculture (TDA) is responsible for pursuing and making final determinations on claims against sub-distributing agencies, recipient agencies (RAs), processors, warehousemen, carriers, and other entities. If the loss is between $2,500 and $100,000, the United States Department of Agriculture (USDA) Food and Nutrition Service (FNS) Regional Office (RO) is responsible for pursuing and making final determinations on claims against sub-distributing agencies, RAs, processors, warehousemen, carriers or other entities.

If the value of lost food exceeds $100,000, the FNS RO will refer the claim to the USDA Food Distribution Division.

Authority

USDA Policy Memorandum FD-082, Responsibilities for Claims for Food Losses

Contact

If you have any questions please contact your Commodity Distribution Specialist.

This Policy Remains in Effect Until Further Notice