



Food Distribution National Policy Memorandum

United States
Department of
Agriculture

DATE: November 24, 2008

Food and
Nutrition
Service

POLICY NO.: FD-081: Summer Food Service Program (SFSP)

SUBJECT: Distribution of Donated Foods to Service Institutions
Participating in the Summer Food Service Program

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7 CFR Parts 225 and 250 provide for the distribution of donated foods to eligible service institutions (referred to as sponsors in 7 CFR Part 225) in the Summer Food Service Program (SFSP). These service institutions may include school food authorities (SFAs), residential summer camps, or other public or private nonprofit organizations that serve summer meals to children. Although the Richard B. Russell National School Lunch Act does not establish a specific per-meal value of donated food assistance in SFSP (as in the National School Lunch Program (NSLP)), Food and Nutrition Service (FNS) has traditionally provided donated food assistance in SFSP valued at 1.5 cents per meal served. Such assistance helps service institutions to provide nutritious meals to children participating in summer activities. However, the relatively small amount of donated food assistance provided presents some challenges to distributing agencies in distributing such foods in an efficient and cost-effective manner. For example, summer camps or programs sponsored by private nonprofit or public organizations may be eligible to receive only a limited quantity of donated foods, or may be located in remote areas. In this memorandum, we present several options for consideration by the distributing agency to help ensure that service institutions receive donated foods for use in the summer meals provided in SFSP in an efficient and cost-effective manner.

Distribution from Distributing Agency Storage Facilities

The distributing agency may distribute NSLP donated foods in its storage facilities to service institutions, as part of their SFSP "entitlement", if this would help to ensure that such institutions receive donated foods in a more timely and efficient manner. In such case, the distributing agency must subsequently report to FNS the types and amounts of NSLP donated foods that have been distributed in SFSP, so that FNS can make the appropriate adjustments on delivery orders and NSLP entitlements. However, the distributing agency may not distribute such NSLP donated foods to service institutions, for use in SFSP, in excess of such institutions' SFSP "entitlement", unless the distributing agency:

- 1) Determines, in consultation with SFAs, that such donated foods may not be efficiently used in NSLP; and
- 2) Receives approval from FNS to "redonate" such foods to service institutions in SFSP.

Distribution through an SFA or School Co-op

The distributing agency may approve distribution of SFSP donated foods to service institutions through an SFA (or school co-op or consortium), in accordance with the distributing agency's agreement with the SFA, as required in 7 CFR 250.12(b), and in accordance with an agreement between the SFA and service institutions providing for such distribution. In accordance with its agreement with service institutions, the SFA may:

- 1) Submit orders for donated foods to the distributing agency on behalf of service institutions;
- 2) Store donated foods for service institutions together with its NSLP and SFSP donated foods;
- 3) Distribute any such donated foods requested by service institutions to meet their "entitlement", as well as any additional foods that may not be efficiently utilized by the SFA or school co-op; and
- 4) Assess a distribution charge to cover costs associated with storage and delivery of such foods to service institutions.

This means of distribution may be more cost-effective, as it would permit the distributing agency to consolidate shipments to a single distribution site, and would permit service institutions to receive foods (or to pick them up) from a distribution site closer to them. Service institutions would be responsible for making the necessary arrangements with the SFA to ensure receipt of donated foods, and must maintain a record of such receipt, in accordance with 7 CFR 250.16(a). Any question arising with respect to the distribution or control of such donated foods must be resolved by the SFA and service institutions, in accordance with their agreement.

Distribution through a Commercial Storage Facility or Other Organization

The distributing agency may arrange for the distribution of SFSP donated foods to a storage facility or other organization (such as a food bank) for subsequent distribution to service institutions. This means of distribution may be more cost-effective, as the storage facility or other organization may be located closer to service institutions, thus reducing any distribution charge. Such distribution must be made in accordance with an agreement between the distributing agency and the appropriate organization, as required in 7 CFR 250.12(b), or, for a commercial storage facility, in accordance with a contract, as required in 7 CFR 250.14(d). Procurement of such service from a commercial enterprise using Federal funds must ensure compliance with Federal procurement requirements in 7 CFR Part 3016. All entities performing such a storage and distribution function would be subject to the storage and inventory requirements in 7 CFR Part 250 applicable to storage facilities at the distributing agency level. Service institutions would be responsible for making the necessary arrangements with the storage facility or other organization to ensure receipt of donated foods, in accordance with an agreement between the parties, and must maintain a record of receipt of such foods, in accordance with 7 CFR 250.16(a).

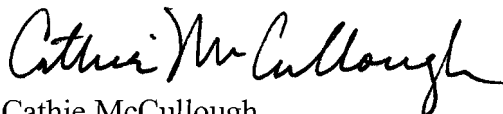
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Distribution through the TEFAP Network

The distributing agency may also distribute SFSP foods to service institutions using the TEFAP distribution network (i.e., food banks or other eligible recipient agencies, as defined in 7 CFR 251.3), if the distributing agency administers both SFSP and TEFAP. Such distribution must be performed in accordance with the distributing agency's agreement with the eligible recipient agency, as required in 7 CFR 251.2(c) and (d). Since service institutions serve predominantly needy persons, they are eligible to receive TEFAP foods as eligible recipient agencies, and, as emergency feeding organizations, would receive first priority in distribution of such foods, in accordance with 7 CFR 251.4(h). This means of distribution may be more cost-effective, as it would permit service institutions to receive consolidated deliveries of SFSP and TEFAP foods (or to pick up such foods at one time) from a food bank near them, which may reduce the charge assessed by the food bank for the cost of storage and distribution of such foods. Service institutions must have an agreement with such food bank or other eligible recipient agency, in accordance with 7 CFR 251.2(c) and (d), and must maintain a record of receipt of all SFSP and TEFAP foods received, in accordance with 7 CFR 250.16(a).

Processing and Purchase of End Products from a Commercial Distributor

The distributing agency may arrange for the delivery of SFSP donated foods to a processor for processing into end products that service institutions purchase through local commercial distributors for use in SFSP. Such processing must be performed in accordance with the requirements in Subpart C of 7 CFR Part 250, and in accordance with an agreement between the distributing agency and the processor. It also must ensure that service institutions receive credit for the value of donated foods in the end products, through a discount, or refund or rebate, in its purchase of the end products from the processor or distributor.



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