**Annual Inventory, Reconciliation and Inspection of Storage Facilities Storing USDA Foods**

**Implementation Date**: April 1, 2020

**Revised Date**: November 18, 2020

 **Next Review Date**: April 1, 2021

**Purpose**: Annual; storage review and reconcile warehouse inventory to DOE inventory, physical inventory and annual physical inspection.

**Applicable Audience**:

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| --- | --- | --- | --- |
| Office | Division | Section | Position |
| School Finance & Operations | Child Nutrition | USDA Foods | Commodities Coordinator |
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**Definitions**: n/a

**Statutes, Rules or References**:

7 CFR 250

USDA Memo 052

USDA memo 058

Maine Department of Education USDA Food Loss & Claim Procedure

**Tasks, Responsibilities and Accountabilities**:

USDA commodity coordinator

**Procedure**:

Year-end inventory procedure

* To be completed annually by the end of June.
* Conduct a 100% physical inventory of all USDA Foods, including all processed end items
* Conduct a complete reconciliation of all USDA physical inventory numbers to State book inventory numbers in order to have accurate counts for the startup of the new school year.
* State will allow state approved offsetting in accordance with FNS Policy Memos #052 and #058; Offsetting will only occur in conjunction with the annual physical inventory and not at other times.
* State will look for other warehouse issues related to USDA Food Distribution program and complete required annual warehouse review documentation for all storage facilities including any sub contracted facilities. (attached)
* All shortages, after the State has applied its allowed offsets as part of the reconciliation, will be treated as a USDA food loss. The State will make a claim determination in accordance with the State’s procedure and FNS regulations and Instructions.

Beginning of School Year Procedure

* + State to take a physical inventory and reconcile all processed items.
	+ State will undertake this inventory process to be performed at the end of October or within 30 days as agreed upon with the storage facility.
	+ State will also conduct a sample physical inventory of USDA brown box items (preference given to one frozen, one refrigerator and one dry). A minimum of three items will be chosen.
	+ State will compare physical inventory of the 3 selected items to the storage facility’s reported inventory and DOE’s perpetual inventory and will make necessary adjustments to both book inventories.
	+ All shortages will be treated as a food loss claim and the State will need to make a claim determination.
	+ While on site, the state will look for miscellaneous cases and small amounts of product not on showing DOE’s perpetual inventory. State will also look in storage facility’s location of broken cases and small amount.
	+ State will look for damaged product on walk around and in the designated damage location.
	+ State will look for other warehouse issues related to USDA Food Distribution program.

Mid-school Year Procedure

* State to take a physical inventory and reconcile all processed items.
* State will undertake this procedure at the end of February or within 30 days as agreed upon with the storage facility.
* State will also conduct a complete physical inventory of all USDA foods (in addition to processed items).
* State will conduct a complete reconciliation of all USDA foods; offsetting is not allowed at this mid-school year physical inventory.
* All shortages will be treated as a food loss claim and the State will need to make a claim determination.
* State will look for other warehouse issues related to USDA Food Distribution program.
* State will look for miscellaneous cases and small amounts of product not on DOE inventory
* State will look for damaged product

**Roles**:

|  |  |  |  |
| --- | --- | --- | --- |
| Key Contact | Position | Email | Phone Number |
| Walter Beesley | Child Nutrition Director | Walter.beesley@maine.gov | 624-6875 |
| Terri Fitzgerald | Commodity Coordinator | terri.fitzgerald@maine.gov |  |

**Document History & Distribution**:

This document will be distributed to Maine DOE staff and posted on the Maine Department of Education Intranet.

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| Version | Revision Log | Date |
| Version 1.0 | Initial Publication | April 1, 2020 |
| Version 2 | Updated | November 18, 2020 |

Date: April 1, 2021 Manager Signature:

Date: April 1, 2021 Division Director Signature:

**USDA Warehouse Review Checklist**

**Date:**

**Name:**

**Warehouse name:**

**Is this an overflow warehouse: If overflow written permission on file \_\_\_**

* **Is the facility sanitary** and free from rodent, bird, insect and other animal infestation? [ ]  Yes [ ]  No Comment:
* Is the facility safeguarded against theft, spoilage and loss?

 [ ]  Yes [ ]  No Comment:

* Are foods maintained at proper storage temperatures?
* Are foods stocked and maintained in a manner so that USDA donated foods are readily identified?
* Are donated foods off the floor in a manner that allows for adequate ventilation?
* Are chemicals and cleaning solutions stored away from commodities?
* Does the warehouse use the “first-in, first-out” stock rotation method considering the pack dates?
* Are other necessary protective measures taken?
* Can it be easily identified the date the commodities were received into the warehouse?
* Is there a designated area for recouping of damaged commodities?
* Are there seals on all incoming USDA shipments?
* Do the warehousemen check the temperature of frozen and cooler shipments that arrive at the warehouse?