

**To:** Authorized Representatives of Child Nutrition Programs

**From:** Child and Adult Nutrition Services

**Date:** May 31, 2018

**Subject:** USDA Donated Foods Storage, Distribution, Product Dating

**Memo Number:** SNP 237-1  
CACFP 237-1  
CACFP DCH 237-1

This memo replaces the previous memo on this topic numbered NSLP-61. This memo is meant to provide clarification and guidance on policies and procedures for donated food storage and distribution as they relate to product dating. To ensure that donated foods are distributed in a timely manner and in optimal condition, proper ordering, inventory management, and storage practices are necessary. Agencies need to consider their anticipated demand to ensure product is in optimal condition and inventory levels do not exceed amounts needed for a six-month period for NSLP.

Agencies should use a first-in-first-out (FIFO) system inventory management by marking food cases upon delivery, but also note any end date stamps: Agencies must manage their inventories to ensure donated foods are consumed prior to product end dates.

It is recommended that freezer and cooler space for each local agency be evaluated. Frozen food product has increased dramatically since many schools were built. To ensure efficient food purchases, an ability to receive one's fair share of USDA donated food, and to ensure safe and proper holding storage facilities for commodities and purchased food need to be evaluated in the following ways:

- A. When outside storage is used or purchased by the agency, a contract is strongly recommended but not required. Food losses which would occur under a no-contract situation would be deemed the responsibility of the local agency;
- B. Disposition of damaged or out-of-condition foods shall be made in accordance with instructions of the State Agency;
- C. The inventory level of any USDA donated food may not exceed a six-month supply (three-month optimum) unless justification for additional inventory has been requested and received from the State Agency; and
- D. The year-end physical inventory must be reconciled with perpetual inventories.

Questions about this memo can be referred to a SD Dept. of Education Child and Adult Nutrition Services staff member.