

## Policy Changes and the USDA Foods Program

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## Policy Changes

- Purpose for Implementation
  - Address Excessive Processor Balances
  - Planned Assistance Level (PAL) Reports – Transfer of Title
  - Accounting of Ending Inventory – June 30, 2013
    - Financial Statements and Audits



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## Excessive Processor Balances

- Policy Memorandum FD-064 issued on March 20, 2012
- Memorandum clarified State Agency (SA) responsibilities for monitoring and identifying under utilized inventories
- SA to ensure School Food Authorities (SFAs) are not using processors for long term storage of donated USDA Foods



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## Carryover Policy

- Effective July 1, 2013, the Michigan Department of Education (MDE) will implement a carryover policy.
- Schools will be given SY 2012-2013 to reduce existing inventory balances at processors
- Ending balances as of June 30, 2012, will be posted by school district, product, and processor



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## Impact of Carryover Policy

- Per 7 CFR 250.13, the USDA holds the title of any USDA Food until that item is delivered to the school or school's warehouse
- Ending inventory remaining at a processor after June 30, 2013, no longer accounted for on the Financial Information Database (FID) or financial statements



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## Impact of Carryover Policy


- Effective July 1, 2012, PAL Reports will no longer draw down the value of raw product delivered to processor
- Rather, report will draw down the value of the USDA Food in the finished product being delivered to the school



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## Consortia Roles and Responsibilities

- PAL Reports
  - Format for SY 2012-2013
- Actions to be Taken by Consortia
  - Addressing and Reallocating Processor Balances



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## Questions



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