STATE OF COLORADO

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Dedicated to protecting and improving the health and environment of the people of Colorado

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******CDPHE-CACFP PROCEDURE MEMO CCC #14-03******
******CDPHE-CACFP PROCEDURE MEMO ADC #14-01******

Date: March 2014

To: Child care centers, adult day care centers and sponsoring organizations participating in the Child and Adult Care Food Program (CACFP)

From: Colorado Department of Public Health and Environment
Child and Adult Care Food Program (CDPHE-CACFP)

Subject: United States Department of Agriculture (USDA) Foods Information Sheet for the Spring Survey

Purpose of Spring Survey

Every spring the CACFP State office surveys all participating Institutions to determine whether they would like to receive USDA Foods or cash-in-lieu of USDA Foods (extra cash in addition to the regular reimbursement). The additional cash amount is currently set at 0.2325¢ for every lunch or supper claimed by the Institution. Attached is the "**USDA Food Program Determination Form**", which Institutions are asked to complete and return, and is used by CACFP to verify and confirm the type of reimbursement the Institution will receive for the next Federal fiscal year (October 1, 2014 – September 30, 2015).

What are USDA Foods?

USDA Foods are purchased by the USDA to remove surplus foods from the market as well as to meet the meal pattern requirements of the Child Nutrition Programs. The distribution of USDA Foods is administered by the Colorado Department of Human Services, Food Distribution Program (FDP). The actual USDA Foods will vary depending on the season and the harvest.

USDA Foods include the following:

- Canned and frozen fruits and vegetables, such as green beans, applesauce, corn, potatoes (French fries, wedges and rounds), pears, strawberries, peaches and apples as well as salsa and other tomato-based products

- Protein items, such as diced and baked chicken, turkey roasts and deli-style slices, ground beef patties, pork leg roasts and peanut butter

- Several kinds of cheeses, such as shredded and bulk mozzarella, shredded cheddar (both regular and reduced fat) and American processed cheese (loaves and slices). Cheeses are packaged in either 6-5 lb packs or 8-6 lb loaves.

- Staple items, such as flour, vegetable oil, low-saturated-fat soybean oil, multi-grain tortillas and multi-grain pancakes

USDA Foods are normally supplied in commercial sizes such as #10 cans of fruits and vegetables and 30 lb or 40 lb cartons of frozen protein items. A significant amount of storage space is necessary for the dry or frozen foods ordered.

USDA Foods can be a wise choice for Institutions that have an experienced cook and adequate storage space.

Benefit of USDA Foods

Since USDA Foods are purchased in large quantities the "Entitlement Value" of these foods is quite often less than supermarket prices. All of the items offered in the USDA Foods Program are grown in the United States.

Ordering USDA Foods

Institutions electing to receive USDA Foods must regularly monitor the email address they provided to the FDP. The annual ordering cycle may vary from year-to-year and communications occur through email. The ordering cycle for the next year will be February through April. The FDP notifies Institutions via email when the ordering cycle will begin and provides instructions for ordering.

Institutions will select the specific USDA Foods from the USDA product catalog using the FDP computer ordering system. Orders placed with the USDA are directly based on the overall amount of USDA Foods requested by all the schools and child and adult care centers throughout Colorado. Institutions will place requests for the USDA Foods they wish to receive and the FDP will assist in creating those orders. Because the USDA requires the FDP to order in full truckload amounts, small requests placed by Institutions are not guaranteed, however the FDP will do everything possible to meet all requests. Institutions will only receive the USDA Foods they order and are not required to accept foods they did not request.

What Determines the Amount of USDA Foods a "Recipient Institution" Receives?

An Institution's USDA "Entitlement" is based on the number of lunch and supper meals served multiplied by a meal rate factor. The effective factor, as of February 2014, is 0.2325¢ per meal served. The factor is subject to change on an annual basis and may increase or decrease as a result.

For example, if the Institution serves only lunch meals to 20 eligible participants each day and is open year-round, the USDA entitlement dollar amount would be translated into approximately $1,209. If the Institution serves only lunch meals to 50 eligible participants per day, year-round, the entitlement would be approximately $3,023. If the Institution serves only lunch meals to 100 eligible participants per day, year-round, the entitlement would be approximately $6,045. In all of the examples above, if the Institution serves supper meals their entitlement would go up accordingly.

Cost of USDA Foods to Institutions

There is no cost to the Institution for the actual USDA Foods which they receive. Institutions are "entitled" to receive a determined amount of USDA Foods based on the number of lunch and dinner meals served at the site to eligible participants. Institutions are required to pay "Delivery Charges" for warehouse deliveries and "administrative charges" for the FDP administration on each case of food. The current administrative charge is 0.45¢ per case. The storage and distribution warehouse has not yet been selected for 2014-2015 fiscal year.

Records Institutions Must Keep When Receiving USDA Foods

Institutions must ensure menus and production records reflect the use of the USDA Foods received. The FDP computer ordering system is a program that is free to Institutions and produces reports to assist with tracking USDA foods received and the amount of entitlement dollars spent.

FDP Training for Using the USDA Website

The FDP will be holding training sessions throughout the year. In addition, the FDP will make all training manuals available online for Institutions to review at any time. The FDP will send notifications of upcoming training sessions via email. All Institution staff who order USDA Foods or pull accounting reports are eligible to attend the training. Due to limited space, individuals are required to register for training.

Storage Requirements

Institutions must have adequate storage facilities to ensure that USDA Foods are properly stored and protected. Institutions must maintain food at the proper storage temperatures. The foods must also be stocked and spaced so they can be readily identified. Foods should be stored off the floor and away from the walls to allow for proper ventilation. It is **NOT** necessary to store USDA Foods in a different area than the regular/commercial foodstuffs. As with all food, the USDA Foods should be used on a "first in, first out basis". If your Institution is unable to store all USDA Foods at a location, there is an option to have extended storage at your receiving warehouse. Extended storage fees may apply. Contact the CACFP office to discuss extended storage options.

Ordering & Receiving USDA Foods

Institutions complete ordering and receiving on-line using personal computers and the Internet. Institutions will order food and track the shipment of orders online. The computer system is user-friendly and does not require extensive computer expertise.

USDA Foods are delivered once a month, between August and May. The State of Colorado contracts with a third party provider to temporarily store USDA Foods on behalf of institutions.

Using the FDP computer ordering system, Institutions will be able to track the movement of their orders and receipt of the items into the warehouses contracting with the State. Institutions may monitor status of deliveries as frequently as they like, however the FDP recommends checking the system at least once a week, specifically on Fridays. Institutions will only receive items they have ordered in the system; therefore Institutions cannot refuse items once orders have been finalized.

Institutions are responsible for coordinating monthly deliveries with the State contracted warehouse. The State will certify the Institutions and administer the logistics of ensuring the correct amount of food reach the appropriate care location.

For more information about the distribution of USDA Foods in Colorado, please visit the FDP website at: http://www.colorado.gov//fdp/.

Instructions to Complete - USDA Food Program Determination Form

Complete, sign and return **Attachment A** of this form **ONLY** if your Institution **elects to change** the current option of receiving USDA Foods or additional cash. This form must be returned to the CDPHE-CACFP office **by May 16, 2014**.

Please send your completed form to:

CDPHE-CACFP
ATTN: Audrey Christensen, Fiscal Officer
4300 Cherry Creek Drive South, Building A, 4th Floor
Denver, CO 80246

As a participant in the CACFP, Institutions have the option of receiving USDA Foods OR additional cash (cash-in-lieu of USDA Foods). If an Institution has more than one site, the choice must be the same for all sites, and will receive USDA Foods or cash-in-lieu for all sites. For additional information, visit the Food Distribution Program website at: http://www.cdhs.state.co.us/fdp/.

OPTIONS

1) USDA Foods

The Institution will place orders in February or March 2015 for receipt of commercial size quantities of meats, cheese, oil, frozen and canned fruits and vegetable beginning July 2015. The Institution will receive the regular meal reimbursement, but not the cash-in-lieu reimbursement beginning with the October 2014 claim.

OR

2) Cash-In-Lieu

The Institution will receive an additional $0.2325 in reimbursement for each lunch and supper meal claimed, but will NOT receive any USDA Foods. If the Institution is currently receiving USDA Foods, they will receive the additional money beginning with the October 2014 claim.

USDA Food Program Determination Form

This form is to be completed **ONLY** if the Institution is making a **CHANGE to the current commodity or cash-in-lieu selection**. If there are no changes, the selection made last year will remain in effect and no action is required. If an Institution wishes to change their current selection, complete the following information, sign and return to the CDPHE-CACFP office **by May 16, 2014.**

CDPHE-CACFP
ATTN: Audrey Christensen, Fiscal Officer
4300 Cherry Creek Drive South, Building A, 4th Floor
Denver, CO 80246

Place an '**X**' in the box indicating your Institution's choice for the upcoming CACFP Fiscal Year 2014 – 2015 (10/01/2014 through 09/30/2015):

☐ **The institution will change FROM Cash-in-Lieu of USDA Foods TO USDA Foods**

☐ **The institution will change FROM USDA Foods TO Cash-in-Lieu of USDA Foods**

Institution Agreement #_____

Institution Name:_____

Site Name:_____

Address:_____

City:_____ **Zip Code:**_____

Email address for USDA Foods information and ordering:_____

_____
Print Name of Authorized Representative

_____ _____
Signature of Authorized Representative **Date**