




STATE OF CONNECTICUT
DEPARTMENT OF EDUCATION



TO: Sponsors of the National School Lunch Program and School Breakfast Program

FROM: John D. Frassinelli, Chief 
Bureau of Health/Nutrition, Family Services and Adult Education

DATE: January 7, 2019

SUBJECT: **Operational Memorandum No. 02-19**
United States Department of Agriculture (USDA) Foods – Processing of USDA Foods

Bulk USDA Foods are commonly diverted to processors to process into approved end products for use in school nutrition programs. The ability to divert foods for processing provides Recipient Agencies (RAs) with more options for using USDA Foods in their programs.

In Connecticut, the Connecticut Food Distribution Program (CT FDP) allows RAs to further process select USDA Foods into finished end products. RAs may choose to allocate up to 100 percent of their annual entitlement to process USDA Foods.

In May 2018, the USDA issued the final rule, [Revisions and Clarifications in Requirements for the Processing of Donated Foods](#), which took effect on July 2, 2018. The CT FDP has reviewed the new requirements and made changes to align the program more closely with these new requirements.

Per regulations, “Inventories of donated food at processors may not be in excess of a six-months supply, based on an average amount of donated foods utilized...” (7 CFR 250.35 (d)). All pounds diverted to processors for the state, whether in a state account or in an individual RA account, are still calculated in a processor’s inventory. As a result, if RAs are not utilizing pounds, inventory could be in excess of a six-month supply for the state, which is not allowed. This has been a reoccurring problem for Connecticut.

One of the ways that RAs can better monitor inventory is by using the pounds in the year for which they were intended. Past practice in Connecticut allowed RAs to keep “carryover” pounds over the summer for use in the beginning of the school year. The CT FDP swept any remaining carryover pounds into the state account in November, but a RA could also keep their pounds if they placed a request. This practice made it challenging to manage the pounds in both the state and individual RA accounts, and to ensure RAs were ordering appropriately for the next school year.

Based on best practices across the country, the CT FDP has established a new policy as of January 1, 2019. This policy is summarized below.

1. RAs should plan to utilize all pounds diverted to processors by the end of the school year in 2019.
2. When the catalog opens for ordering for school year 2020, RAs should **not** take into account any carryover pounds.
3. On or about June 30 2019, and each year moving forward, all pounds in RA accounts will be swept into the state account. RAs can no longer request to keep pounds at the time of the sweep.
4. Periodically during the year, the CT FDP will monitor activity at processors and move pounds from inactive accounts to accounts that are actively using their pounds. RAs will be notified when any pounds are moved.
5. The CT FDP will review RA transfer requests upon submission of a completed Transfer Request Form. The CT FDP will have a new procedure for requesting transfers of pounds, which will be communicated in a separate e-mail.

Questions may be directed to Allison Calhoun-White at allison.calhoun-white@ct.gov, 860-807-2008, or Monica Pacheco at monica.pacheco@ct.gov, 860-807-2086.

JDF:alc

Important: This is a numbered Connecticut State Department of Education (CSDE) operational memorandum that contains important program information. Please read carefully and retain in a binder for future reference. All CSDE operational memoranda are posted on the CSDE's [Operational Memoranda for School Nutrition Programs](#) webpage.