USDA Foods Entitlement from the Federal to the State Level

Presented by:
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Mike Birkmeyer
Overview

Entitlement from the Federal Level

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Senior Program Analyst, USDA, Food Distribution Division
Special Nutrition Operations Branch

Entitlement from a State Perspective

Mike Birkmeyer
Section Chief, Food Distribution Program
Maryland State Department of Education
Entitlement from the Federal Level to State Distributing Agencies

Janet West
Senior Program Analyst, USDA, Food Distribution Division
Special Nutrition Operations Branch
Entitlement Act and Regulations

• Richard B. Russell National School Lunch Act

• http://ecfr.gpoaccess.gov/ select Browse, then select Title 7 for Agriculture, then select section 210-299, then select 250.1 to 250.70 to find 250.56 (c)

§250.56 Provision of donated foods in NSLP.

(c) National per-meal value of donated foods. For each school year, the distributing agency receives, at a minimum, the national per-meal value of donated foods, as established by Section 6(c) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(c)), multiplied by the number of reimbursable lunches served in the State in the previous school year. The donated foods provided in this manner are referred to as Section 6 foods, or entitlement foods. The national per-meal value is adjusted each year to reflect changes in the Bureau of Labor Statistic's Producer Price Index for Foods Used in Schools and Institutions, in accordance with the Richard B. Russell National School Lunch Act. The adjusted value is published in a notice in the Federal Register in July of each year. Reimbursable lunches are those that meet the nutritional standards established in 7 CFR part 210, and that are reported to FNS, in accordance with the requirements in that part.
TOPICS

✓ Time line – moving target
✓ Entitlement calculation (NSLP, CACFP, SFSP)
✓ WBSCM budget screen – beginning balance
✓ Entitlement tracking reports – checkbook/ending balance
✓ Monitoring & Utilization tips
PRIOR YEAR LUNCHES
×
JULY RATE
+
12% FUNDING
+/
PRIOR YEAR BALANCE
=
TOTAL ENTITLEMENT $
Time line

**January**
- Enter preliminary SY16 entitlement: SY15 actual rate & lunches - carryover - DOD Fresh requests - and estimated 12%
- Open catalog

**April**
- Orders are due for July-September delivery

**July**
- “Published” rate in Federal Register - review 12% estimate

**Sept.**
- Update SY15 lunches w/ actual SY15 lunches for July-April 2015
- Update SY16 lunches w/ actual SY15 lunches
- Update SY15 carryover balances from SY15 to SY16

**Nov.-Dec.**
- Final SY15 lunches and reconciliation
- Update current SY16 entitlement w/ final lunches from prior year
Beginning Entitlement in WBSCM (the budget)

• Operations/Order Processing/Entitlement Management
  Entitlement Budgeting for the program (NSLP).

• Then under “current selection” enter the program year and click on “OK.”
### SDA Entitlement Budget for SFSP

<table>
<thead>
<tr>
<th>BP SDA</th>
<th>Entitlement Program</th>
<th>Program Year</th>
<th>Meal Rate</th>
<th>FNS Meal Rate Adj</th>
</tr>
</thead>
<tbody>
<tr>
<td>NM Human Services</td>
<td>SFSP-Summer Food Service</td>
<td>2014</td>
<td>0.1950</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meal Count</th>
<th>Initial Allocated Ent. Amt.</th>
<th>Adjustment between RAs</th>
<th>DOD Fresh</th>
<th>Final Commodity Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>EA</td>
<td>8,675,867</td>
<td></td>
<td></td>
<td>1,618,558.00</td>
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<table>
<thead>
<tr>
<th>Business Partner</th>
<th>Meal Count</th>
<th>Ent Amt Distributed per Meal Count</th>
<th>Adjustment between RAs</th>
<th>DOD Fresh</th>
<th>Final Commodity Entitlement</th>
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</thead>
<tbody>
<tr>
<td>APS</td>
<td>0</td>
<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
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<tr>
<td>Albuquerque Public Schools</td>
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<tr>
<td>Cancun</td>
<td>0</td>
<td>0.00</td>
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<tr>
<td>Guadalupe County Public Schools</td>
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<td>0.00</td>
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</tr>
</tbody>
</table>
## Entitlement Budget NSLP

**Budget Screen Showing Beginning Balance**

<table>
<thead>
<tr>
<th>Program</th>
<th>Year</th>
<th>SDA ID</th>
<th>Meal Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSLP</td>
<td>2016</td>
<td>4000XXX</td>
<td>0.2475</td>
</tr>
</tbody>
</table>

### Program Year SDA ID Meal Rate

<table>
<thead>
<tr>
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<th>Year</th>
<th>SDA ID</th>
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<td>2016</td>
<td>4000XXX</td>
<td>0.2475</td>
</tr>
</tbody>
</table>

### Meal Count

<table>
<thead>
<tr>
<th>Meal Count</th>
<th>Kosher</th>
<th>Meal Count Adj</th>
<th>Total Meal Count</th>
<th>Meal Value</th>
<th>Adjustments</th>
<th>Entitlement Sub-total</th>
<th>Cash/CLOC prev-year actual ($)</th>
<th>Cash/CLOC meals count</th>
<th>Meal Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,000</td>
<td>20</td>
<td>+/- not currently used</td>
<td>99980</td>
<td>24745</td>
<td>0</td>
<td>24745</td>
<td>50</td>
<td>96197</td>
<td>3783</td>
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</table>

### Total Meal Count Calculation

Total meal count = Total meal count x rate

### Meal Value + Adjustments

Entitlement Sub-total = meal value + adjustments

### Cash/CLOC Meals Count Reference

Cash/CLOC meals count = reference total meals

### SY15 Carry Over

Final Entitlement = entitlement subtotal - cash cloc previous year actual plus carryover

<table>
<thead>
<tr>
<th>SY15 Carry Over</th>
<th>Entitlement before DoD</th>
<th>DOD Fresh - SY18 election</th>
<th>Final Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>-10</td>
<td>24685</td>
<td>85</td>
<td>24600</td>
</tr>
</tbody>
</table>

### Notes

- +/- not currently used
- Reference total meals
- Final Entitlement before DOD Fresh - DOD fresh
SFSP
(FY – Oct 1 to Sept 30)

PRIOR YEAR LUNCHES
(Official in the NDB in April of each year – States can get eligible meal counts from their State much earlier)

\[ \text{X} \times \text{.015 RATE} = \text{TOTAL DOLLARS $} \]

(not an entitlement program)

** SFSP runs on the Fiscal Year. If dollars are not used by the end of the FY (September 30) they ARE forfeited by the State.
CACFP

PRIOR YEAR LUNCHES & SUPPERS

$ x

JULY RATE

+/-

PRIOR YEAR BALANCE

=

TOTAL ENTITLEMENT $
Entitlement tracking

WBSCM provides entitlement reports that show both a detail and summary view of entitlement levels

• SDA – Detail and Summary

• RA – Detail and Summary

THE ORDER STATUS REPORT IS ALSO IMPORTANT TO TRACK CHANGES TO ORDERS.
Summary View

- Snap shot of Entitlement - picture at a point in time
- Totals match the Detail Report
- Value based on the previous Saturday’s LAPP run
- Report shows Sales Orders, Re-Donation activity and Entitlement Adjustments
- RA report shows recipient specific data for the sub document level
Entitlement USDA Food Price

Last Average Price Process (LAPP)
Calculates each Saturday based on
• New Purchase Orders created
• Price change to a Purchase Order

Sales orders update weekly with the LAPP impact entitlement balance

Purchased orders price stays constant except... cheese prices
Entitlement Monitoring Tips

• **Request detail report at least MONTHLY**
  
  First (or every) Tuesday of the month (excel format)
  “NO” to include requisitions

• **Review orders status relative to delivery date**
  
  Prior month’s RECEIVED ?
  Current and next month’s PURCHASED ?
  NO orders left behind!

• **Inquire about anomalies to appropriate specialist**

Save file detail report to compare to the time it’s run
(at least monthly)
Entitlement Utilization Tips

• Check State lunches w/ current STATE DOE – CNP data

• Advise FNS of trend and discrepancies

• Order 105% to get 100%
ENTITLEMENT

STATE LEVEL PERSPECTIVE

February 3, 2015
MARYLAND

- County Based School Districts
- 35 Non Pubs RCCIs
- WBSCM Rolled Down To All
- WBSCM Is Official Record
MARYLAND

- Three State Contracted Warehouses
- Assigned By Geography/Truck Fill
- Eight Districts Can Get Direct Delivery
- Aug/Nov/Jan/Mar Delivery Periods
- State Account
DECEMBER

- USDA Foods Processing Show
- Training
- USDA Foods Acceptability Survey
- Customer Feedback
JANUARY

- Survey Schools for DOD Amount
- Load Lunches/DOD Info Into WBSCM
- Actual SY14 Lunches For SY16
FEBRUARY

☐ Filter Catalogs and Delivery Dates in WBSCM
☐ Notify Schools
☐ Worksheet
## Worksheet Example

<table>
<thead>
<tr>
<th>Special Notes</th>
<th>Material</th>
<th>Material</th>
<th>Delivery Dates</th>
<th>Requisition Due</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>08/15/14</td>
<td>01/31/15</td>
</tr>
<tr>
<td></td>
<td>100101</td>
<td>Diced Chicken</td>
<td>08/15/14</td>
<td>01/31/15</td>
</tr>
<tr>
<td></td>
<td>100121</td>
<td>Deli Turkey</td>
<td>08/15/14</td>
<td>01/31/15 03/31/15</td>
</tr>
<tr>
<td></td>
<td>100125</td>
<td>Turkey Roasts</td>
<td>08/15/14</td>
<td>01/31/15 03/31/15</td>
</tr>
<tr>
<td>Processing Only</td>
<td>100124</td>
<td>Bulk Turkey</td>
<td>11/15/14</td>
<td>06/15/15</td>
</tr>
<tr>
<td>Processing Only</td>
<td>100883</td>
<td>Turkey Thighs Bulk</td>
<td>11/15/14</td>
<td>06/15/15</td>
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<tr>
<td>Processing Only</td>
<td>100113</td>
<td>Chix Legs Chill</td>
<td>11/15/14</td>
<td>06/15/15</td>
</tr>
<tr>
<td>Processing Only</td>
<td>100100</td>
<td>Chix Chill Small</td>
<td>11/15/14</td>
<td>06/15/15</td>
</tr>
<tr>
<td>Processing Only</td>
<td>100103</td>
<td>Chix Chill Large</td>
<td>11/15/14</td>
<td>06/15/15</td>
</tr>
<tr>
<td>Processing Only</td>
<td>100047</td>
<td>Eggs Bulk</td>
<td>11/15/14</td>
<td>06/15/15</td>
</tr>
</tbody>
</table>
CATALOGS

- Schools
- Offer 75 USDA Foods
- Non-Pubs/RCCIs
- Offer 15 USDA Foods
FACTORS FOR CATALOG

- Input From Schools
- Will Add To Catalog Upon Request
- Truck Fill Capabilities
- Product Delivery Reliability
BIGGEST CHALLENGE
COLLABORATION

- Big Schools
- Smaller Schools
POSSIBLE SOLUTIONS?

- DOD Program
- NOI
MARCH

- Schools Place Requisitions
- No Restrictions On What To Requisition From Catalog
- Spending Limit of 105% of Entitlement to Achieve 100%
- Each School +/- 5%
APRIL

- Requisition Consolidation
- Check Actual SY15 Lunches/Entitlement
- Check Processor Inventory
JULY

- Actual Rate Published
- Check Actual SY15 Lunches/Entitlement
- Reallocate Processor Carryover Inventory
- Cancel/Move Back Trucks If Needed
OCTOBER

- Lunch Reconciliation
- Entitlement Reconciliation
- Cut or Add If Needed
FACTORS TO CUT OR ADD

- State Account
- DOD Produce
- Beef/Poultry/Cheese
YOU ARE INVITED!!
Commodityfoods.org

Sunday May 3, 2015 thru Tuesday May 6, 2015
Questions?
Contact Information

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