



State of Arizona
Department of Education



Health and Nutrition Services Division

HNS 13-2018

MEMORANDUM

To: Child and Adult Care Food Program Sponsors

From: Melissa Conner, Associate Superintendent
Arizona Department of Education, Health & Nutrition Services Division

Original Signed

Date: March 23, 2018

RE: Option to receive USDA Foods or Cash In Lieu of Commodities

As participants in the federally funded Child and Adult Care Food Program, sponsoring organizations are eligible to receive entitlement funds that are allocated toward receiving USDA Foods or sponsors can elect to receive cash in lieu of commodities (CIL). Historically, Arizona has opted to only offer CIL, but we are exploring the possibility of offering the USDA Foods option. This memo contains information about the requirements for receiving USDA Foods as well as details about CIL. Please review this information and complete the brief survey at the link below to indicate if you'd be interested in learning more and possibly receiving USDA Foods in the future.

USDA Foods

USDA Foods Program distributes domestic, wholesome foods such as grains, fruits, vegetables, and proteins to support meals that meet USDA regulations. Participating sponsors would receive approximately \$.32 per lunch meal in entitlement funds that are then exchanged for bulk volumes of USDA Foods. Please note, participating sponsors do not actually receive this funding. It is an electronic amount that is drawn down as food items are ordered. When receiving USDA Foods, all sponsors must have the ability to:

- Receive 10 or more cases of food per delivery;
 - Examples include:
 - 1 case of cheese = 30 pounds
 - 1 case of whole-grain rich tortillas = 288 tortillas
 - 1 case of peanut butter = 6 jars that are 5 pounds each
 - 1 case of ground beef = 40 pounds
- Safely receive deliveries from semi-trucks;
- Complete a credit application and pay delivery fees of \$3.12 per case (based on FY 18 fee) with a purchase order or check.

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- Demonstrate that they have adequate storage for all food items ordered and received; Shipments must be scheduled in a timely manner or storage fees of \$1.10 per case will be assessed;
- Have sufficient enrollment to support the use of the volume of food received with minimal spoilage and waste;
- Continue spending at least 50% of total reimbursement on food.
- Provide documentation (menus) that shows proper utilization of the ordered foods.

All sponsors who participate in USDA Foods would also be required to attend additional training to gain access and learn a separate system for USDA Foods orders called myFOODS.

Cash In Lieu of Commodities (CIL)

When sponsors elect to receive cash in lieu of commodities, an additional \$0.2325 is added to the reimbursement amount for each lunch and supper meal that is served. This is actual money that is added to the monthly reimbursements, and there are no additional requirements of the sponsor.

Sponsor Preferences

Arizona is interested in determining how many sponsors would be interested in completing the training and receiving USDA Foods instead of receiving the cash in lieu payments. Please complete this brief survey by April 13, 2018 to indicate if you are interested in USDA Foods or would prefer to receive the cash in lieu of commodities. The survey is available at the following link.

https://www.surveymonkey.com/r/CACFP_CIL

Contact Information

If you have questions or concerns regarding this memo, please contact ADE at (602) 542-8700 and choose Option 1 for Community Nutrition Programs.

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