



Arizona Department of Education

Health & Nutrition Services Division

HNS 18-2019

DATE: July 20, 2019

TO: USDA Foods in Schools Program Recipient Agencies (RAs)

FROM: Tonya Keyes-Christianson MA, RDN, LDN, Director, School Food Programs
Arizona Department of Education (ADE), Health and Nutrition Services (HNS)

Subject: USDA Foods in School Welcome Back School Year 2019-2020

Original Signed

School Year 2019-2020 (SY 20) has begun and the USDA Foods in Schools Program staff would like to take this opportunity to highlight program guidance to ensure successful operation of your program.

USDA Foods Opportunities

The USDA Foods in Schools Program offers several options to utilize entitlement dollars to support nutritious school meals in Arizona and uphold nutrition integrity of Child Nutrition Programs. These options include the Direct Delivery option (previously referred to as Brown Box commodities), offering approved USDA dry, refrigerated, and frozen materials; the Department of Defense Fresh Fruit and Vegetable Program (DoD Fresh) offering local and American grown produce; and processed foods including nutritious end products from raw, bulk material that is diverted to manufactures.

These options may be used across Child Nutrition Programs including the National School Lunch Program, School Breakfast Program, Afterschool Snack Program, At-Risk Supper Program, and the Summer Food Program if all income accrues to the nonprofit foodservice account. RAs are responsible for assuring that all food resources are used properly. Misuse of USDA Foods is subject to criminal prosecution under Section 12(g) of the National School Lunch Act.

RAs receive foods based on the submission of the catalog requisitions in Arizona's online ordering system, myFOODS. If your school did not submit a catalog requisition during the catalog requisition process, you may utilize the Surplus catalog in the myFOODS ordering system. In efforts to reach the Arizona Department of Education, Health and Nutrition Service's

Kathy Hoffman, Superintendent of Public Instruction

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goal of administering exceptional USDA Child Nutrition Programs, the USDA Foods in Schools Program has developed policy and expectations for entitlement usage during the SY. Please see our website for the new policy memorandums and the most recent updates to our program <http://www.azed.gov/hns/sfp/>.

USDA Foods Ordering and Access

The USDA Foods in Schools Program operates completely online. For RAs to schedule shipments and maintain the USDA Foods in Schools Program, RAs must have at least one designated user in myFOODS for all direct delivery materials and processed end products. RAs planning to utilize the Surplus Catalog must also obtain access to the myFOODS system. Access to this system is obtained after a mandatory training for new users. The training is provided at no cost, and participants can register here: <https://ems.azed.gov/Home/Calendar>. Previous users of the myFOODS system must update contact, billing, and shipping information prior to receiving deliveries. The DoD program is accessed by the Fresh Fruit and Vegetable Order Receipt System (FFAVORS), and access can be obtained by contacting the DoD Specialist listed on the last page of this document, or through the USDA Foods in Schools mailbox at USDAFoods@azed.gov.

Below is a list of resources that can be found in the “Documents” section of myFOODS, or by using the links below:

- Getting Started with USDA Foods: <https://cms.azed.gov/home/GetDocumentFile?id=594d6c843217e1042c271d84>
- myFOODS user manual: <https://cms.azed.gov/home/GetDocumentFile?id=5cf00b231dcb250954d3c2ab>
- myFOODS training schedule and registration: <https://ems.azed.gov/Home/Calendar>

Administrative Fees for SY 2019-2020

As referred in HNS Memo # 16-2019, the ADE assesses various fees associated with the USDA Foods including Direct Delivery fees, Diverted Pound fees, and Excess Storage fees. Please note the delivery fees for Direct Delivery (previously referred to as Brown Box) materials which will be effective July 1, 2019 – June 30, 2020.

<i>Prep Site</i>	\$3.09 per case
<i>Warehouse</i>	\$2.45 per case
<i>Pick Up</i>	\$ 1.95 per case

The above delivery fees include a decrease in delivery charges negotiated between the ADE and US Foods based on normal inflationary adjustments. As always, we continually evaluate fees to ensure operation costs are covered while keeping costs to schools to a minimum. If you have any questions, please contact the USDA Foods in Schools Program at (602) 542-8729 or USDAFoods@azed.gov.

Diverted Pounds fees

The ADE will maintain the “fair share” model for USDA Foods administrative fees by applying a (\$.02) administrative fee to diverted processed pounds. The ADE will be sending these invoices to RAs beginning in September of 2019, and payments will be due in net 30 days.

Excess Storage Fees

The ADE will invoice an RA with outstanding materials in the warehouse past their “Must Ship by Date” with a charge of \$1.10 per case. This fee will be applied to all materials past the ship by date including processed end products. Once materials are past their “Must Ship by Date”, they will be removed from your available materials. Invoice payments are due 30 days from invoice date. Should payment not be received after 60 days, the ADE reserves the right to place the account on a hold status until payment has been received. More information can be found here: <http://www.azed.gov/hns/sfp/usda-foods/>.

To support effective and efficient operations and administer exceptional Child Nutrition Programs, effective July 1st, 2019, any RA that has recurring excess storage fees will be required to take the online training module. RAs must complete a short questionnaire and pass with a 70% to claim continuing education credits for this module.

Inventory Management

Per CFR 250.14, RAs are not required to report loss, damaged, or out of condition USDA Foods to the ADE unless there is evidence that indicates such losses have occurred due to fraud or theft. RAs will treat the loss in the same manner as purchased food losses. If you have a loss as result of theft or fraud, please contact the USDA Foods in Schools Program at USDAFoods@azed.gov.

The ADE permits a single inventory record keeping system for RAs with USDA Foods and commercially purchased materials, and stresses that good practices for inventory management must be maintained where commercially purchased and USDA Foods are stored together.

Shipping Information

As the ADE’s contracted USDA Foods Warehouse, US Foods requires all RAs to submit a purchase order (PO) for delivery. RAs must submit this to US Foods to receive USDA Foods shipments. The RAs myFOODS account will not be approved until the PO is submitted. If your organization does not require submission of a PO, the ADE requires the RA to submit a Letter of Responsibility to US Foods on the school letterhead stating so.

The shipment window for all USDA Foods deliveries are between 6:30am to 2:30pm (Arizona time). If a delivery is refused or no one is at the site to verify and accept delivery during these hours, a \$1.25

per case restocking fee will be incurred. It is not possible to accommodate specific delivery time requests.

Should you have any questions or concerns with a specific shipment, please first contact US Foods. If you continue to experience shipment problems, please contact the USDA Foods in Schools Program immediately so the issue can be addressed.

Thank you for participating in the USDA Foods in Schools Program. Your participation helps us reach the goal of eliminating childhood hunger with healthy, nutritious foods. If at anytime you require assistance, please contact the USDA Foods in Schools Program.

USDA Foods in Schools Contact Information

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USDA Foods Warehouse for Arizona Department of Education

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