



Arizona Department of Education
Health & Nutrition Services Division

HNS# 20-2021

MEMORANDUM

To: Recipient Agencies Participating in the USDA Foods in Schools Program

From: Melissa Conner, Associate Superintendent

Date: July 12, 2021

Subject: USDA Foods in Schools Program Guidance for School Year 2021-2022

Original Signed

The purpose of this memorandum is to provide guidance for participation in the USDA Foods in Schools Program for School Year (SY) 2021-2022. The USDA Foods in Schools Program provides entitlement funds to Recipient Agencies (RAs) that can be used to order a variety of American grown food items. These food item options may be used to procure food for reimbursable meals and snacks served in the following Child Nutrition Programs: National School Lunch Program, School Breakfast Program, Afterschool Care Snack Program, At-Risk Meals, and the Summer Food Service Program.

Entitlement is awarded in January of each year and RAs participate in the Catalog Requisition Process in March to pre-order materials for the next school year. During the requisition process, RAs select which items and delivery methods they will use for the upcoming school year. These delivery methods include:

- Direct Ship or Direct Delivery (previously referred to as Brown Box commodities), which offers approved USDA dry, refrigerated, and frozen materials;
- Surplus Catalog;
- Diverted pounds for the Processing Program, and
- Entitlement set aside for the DoD Fresh Produce Program.

The Arizona Department of Education (ADE) uses the myFOODS system for managing all USDA Foods Direct Ship, Direct Deliveries, Surplus Catalog, and Processing Diversions. The FFAVORS system is used for all DoD Fresh Produce Program orders. RAs are strongly encouraged to plan their menus for the new school year to maximize entitlement funds and usage through Catalog Requisition Process. All materials requisitioned in March become available for the upcoming school year via shipment and delivery beginning in July using the myFOODS and FFAVORS systems. All RAs must have an active and approved myFOODS account in order to schedule shipments for SY 21-22 as well as to order produce through FFAVORS.

SY 21-22 myFOODS Activation Requirements for USDA Foods Ordering and Access

Returning Users

July 1, 2021, marks the start of the new SY and all myFOODS accounts must be updated and activated for participation in SY 21-22. To begin the update and activation process, log in to myFOODS at <https://cnpmyfoods.azed.gov/Security/Login.aspx> and complete the following:

USDA Foods Active Status Requirements – Returning User

- US Foods Purchase Order (PO) or Letter of Responsibility (LOR)
- School Calendar
- Credit Application (as needed)
- Contact Tab Updates - RAs must have at least two different active users in myFOODS
 - Food Service Manager Tab
 - Program Contact Tab
 - Billing Contact Tab
- Delivery Site(s) Tab Updates
 - Delivery Site(s) Contact Tab

New Users

New users can obtain access to this system after completing a mandatory training, *myFOODS New User Training*. The training is provided at no cost, and participants can register here: <https://ems.azed.gov>.

New Recipient Agencies

RAs who are new to USDA Foods must attend the mandatory training to become users in myFOODS and complete the following requirements to become active in the system:

USDA Foods Active Status Requirements – New Recipient Agencies

- US Foods Credit Application emailed to 4I-DL-USDA@usfoods.com.
- US Foods Purchase Order (PO) or Letter of Responsibility (LOR)
 - A Purchase Order is a standard form of payment that school districts use to pay against a given dollar amount with an approved vendor.
 - A Letter of Responsibility (LOR) can be submitted in lieu of a PO, identifying an alternative approved form of payment for the school year. LORs must include the following:
 - School's Letterhead
 - Billing Contact
 - Physical Address
 - Phone Number
 - Specification of alternative payment and exclusion of PO use
- School Calendar
- Delivery Information Form
- Contact USDA Foods to add new information to myFOODS System

Secondary Access

RAs that would like to extend myFOODS access to their caterer or Food Service Management Company (FSMC) will need to update contracts to reflect that both parties will have access to myFOODS; the RA being the primary user and the caterer or FSMC as the secondary user. Caterers and FSMCs needing access to myFOODS must attend the *myFOODS Secondary Access Training* and can register here: <https://ems.azed.gov>

Program Details

The first items requested through the Catalog Requisition Process will be available beginning with the August 15, 2021 shipping period.

Direct Ship

RAs who requested their USDA Foods to be delivered directly to their site(s) during the Catalog Requisition Process through the Direct Ship option will receive USDA Foods Receiving Reports for each order throughout the new school year. Once this report is received, an open purchase order must be submitted and received before deliveries can begin. As deliveries arrive, RAs will complete the Receiving Report form that matches the delivery and send the form to USDAFoods@azed.gov within two days of receipt of the product. This process will be repeated for each scheduled shipment. ADE assesses an administrative fee of \$0.25 per case for each case shipped.

Direct Delivery

RAs who requested Direct Delivery via the US Foods warehouse must schedule or decline their deliveries before the 45-day ‘must ship by’ deadline. Any materials pre-ordered that are no longer needed from the Direct Delivery Available Materials Tab may be declined prior to scheduling the shipment. The ‘SY 22 Direct Delivery Arrival Calendar’ can be accessed in the Documents Tab in myFOODS. When items are declined, they are moved to the surplus catalog and the RA retains the entitlement funds. When items are not scheduled for delivery by the ‘must ship by’ deadline, they are swept and moved to the surplus catalog and the RA will lose those entitlement funds.

Per [HNS 02-2017: MyFOODS Invoicing and Surplus Shipments](#), ADE will once again begin invoicing all RAs for excess storage fees at \$1.10 per case on all USDA Foods cases allocated that are not scheduled for shipment by the “Must Ship by Date.” This fee will be applied to Direct Delivery materials past the “Must Ship by Date” and will automatically be removed from your available materials. Payments not received after 60 days will result in the RA’s USDA Foods account being changed to “On Hold” status until payment is received. When remitting payment, please identify the excess storage fee invoice number on each check/warrant.

The shipment window for all USDA Foods deliveries is between 6:00am and 2:30pm Mountain Standard Time (MST). If a delivery is refused or no one is at the site to verify and accept the delivery during these hours, a \$1.25 per case restocking fee will be incurred. It is not possible to accommodate specific delivery time requests. For questions or concerns regarding a specific shipment, please first contact US Foods. If shipment problems persist, please contact ADE Health and Nutrition Services (HNS).

Delivery fees and case minimums are established and billed by US Foods associated with all Direct Deliveries. The Direct Delivery (previously referred to as Brown Box) fees effective July 1, 2021 – June 30, 2022 are as follows:

- Delivery to a Prep Site: \$3.09 per case
- Delivery to the RA’s Warehouse: \$2.45 per case
- RAs to Pick Up (will call) at US Foods: \$1.95 per case

RAs will be charged the stated delivery fees multiplied by the assigned minimum requirement plus any additional cases scheduled for shipment through US Foods. This means that regardless of how many cases are scheduled for shipment there is a minimum delivery fee charged based on the assigned minimum case requirement for each RA. Prep site-specific minimum case requirements are listed below and can also be found in myFOODS. The warehouse and pick up requirements follow a standard 100 case minimum regardless of an entity’s lunch counts.

	<50,000 Lunches Per Year	50,001+ Lunches Per Year
Prep Site	10 case minimum	20 case minimum
Warehouse	100 case minimum	100 case minimum
Pick Up	100 case minimum	100 case minimum

RAs will receive invoices 24 hours after delivery. It is possible to receive electronic invoices through US Foods. Each RA has specific terms for payment on invoices from US Foods and will be notified by US Foods if any invoice has been unpaid 8 days after the specified term date. If invoices are still unpaid, ADE reserves the right to place delivery sites on hold until invoices are fully paid. At this time, credit cards are not accepted for payment on USDA invoices.

Surplus Catalog

Materials in the surplus catalog are based on quantities in the State Account and are available on a first come, first served basis. When items are unused, not scheduled for delivery, declined, or swept, they are moved to the Surplus Catalog and available to all participating RAs regardless of what was requested in the Catalog Requisition Process last March. These items will be available for ordering and scheduling for delivery as early as July 15, 2021. RAs with active myFOODS accounts can access the surplus list daily between 6:00am and 2:30pm MST.

Processed Pounds and Fees for Service End Products

For RAs who elected to divert pounds for processing during the Catalog Requisition Process, the first available shipments of end products will be July 15, 2021. Processed end products will remain in available materials until they are scheduled for shipment.

ADE applies a \$0.02 per pound administrative fee for all diverted processed pounds. Fees are charged at the beginning of each year and help with management of pounds throughout the year and will not be reimbursed if pounds are cancelled. RAs may not use entitlement dollars for these fees. Payment of administrative fees can come from your school’s non-profit school food service account and ADE will send these invoices to RAs beginning in October 2021. Invoice payments are due within 30 days. Additionally, any processed end products that remain in the

warehouse past the “Must Ship by Date” will be invoiced by US Foods directly at \$1.10 per outstanding case. US Foods will notify the RA if payment is not received 8 days after the term date specified in the agreement between US Foods and the RA. Payments not received after 60 days will result in the RA’s USDA Foods account being changed to “On Hold” status until payment is received. When remitting payment, please identify the excess storage fee invoice number on each check/warrant.

RAs who have unused pounds from last year due to the COVID-19 pandemic will be permitted to carry those pounds over to SY 21-22. All unused pounds, as of June 30, 2021, must be used in SY 21-22. The SY 20-21 carryover pound usage will be addressed through contact by HNS in November 2021. A traditional sweep will not take place if the carryover balance is part of yearly planned pounds; however, if usage is very low to zero, a different discussion and/or sweep will take place. There will only be 20% carryover into SY 22-23 with no exceptions.

Alternative Delivery Sites

The USDA Foods Alternative Delivery Site Program, allowing RAs to designate qualified commercial storage facilities as their USDA Foods delivery location, will continue in SY 21-22. Qualified commercial storage facilities, including caterers and Food Service Management Companies (FSMCs) that meet specific program requirements and eligibility criteria, will be able to receive USDA Foods shipments from US Foods at their facility. Participating RAs are required to monitor the facility’s USDA Foods handling procedures to ensure program compliance with potential visits from ADE throughout the year. Interested RAs and their contracted caterer or FSMC must complete the Alternative Delivery Site for USDA Foods Standard Agreement and the Caterer Evaluation Form, and email signed copies to USDAFoods@azed.gov to be eligible for participation. Currently, this opportunity is only available for the Direct Delivery Program and Processing Program. The DoD Fresh Program still requires that produce be delivered directly to the school district registered for the program.

DoD Fresh Produce Program

RAs may designate part of their entitlement funds for participation in the Department of Defense Fresh Produce Program (DoD Fresh). Entitlement funds for DoD Fresh are distributed and managed in the Fresh Fruit and Vegetable Order Receipt System (FFAVORS) account and orders can be placed once myFOODS status is active. Access can be obtained by contacting HNS through the USDA Foods Program inbox at USDAFoods@azed.gov.

Stern Produce is the contracted distributor for DoD Fresh. Orders placed through FFAVORS go directly to Stern, who then delivers directly to the RA’s site(s). There are no delivery fees, but Stern Produce requests a \$150.00 minimum order. All orders are paid through entitlement dollars set aside through myFOODS and translate into Dollar-for-Dollar benefits.

Updates from US Foods Warehouse and Distributing

Contactless Delivery

For SY 21-22, US Foods is requesting contactless payment and deliveries. Deliveries will still need to be received in person, but RAs will no longer be required to sign any documentation with the driver. Instead, a verbal confirmation of receipt will be given, and the driver will sign on behalf of the RA.

Two-Day Routes

US Foods will be utilizing two-day routes, where a route is built to be delivered over a period of 2 days. If a school is on this route, the delivery can arrive on the first or second day of the route, depending on the road and travel conditions for the driver. RAs can track the status of their deliveries in the US Foods application.

Inventory Management

Per CFR 250.14, RAs are not required to report lost, damaged, or out of condition USDA Foods to 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. Any loss as result of theft or fraud must be reported to ADE. ADE permits a single inventory recordkeeping system for RAs with USDA Foods and commercially purchased materials; good practices for inventory management must be maintained where commercially purchased and USDA Foods are stored together.

Contact Information

Thank you for participating in the USDA Foods Program. If at any time you require assistance, please use the following information to reach out to the appropriate contact:

ADE USDA Foods in Schools Contact Information

Mailing Address: Arizona Department of Education, Health and Nutrition Services
1535 W. Jefferson St. Bin #7
Phoenix, AZ 85007

Physical Address: Arizona Department of Education
3300 N Central Ave. 19th Floor
Phoenix, AZ 85012
Phone: 602-542-8700, Option 2
Fax: 602-542-3818
USDAFoods@azed.gov

Bill Hall

Health and Nutrition Services Specialist
Health and Nutrition Services
602-364-0714
Bill.Hall@azed.gov

Regan Garner

Health and Nutrition Services Specialist

Health and Nutrition Services

602-364-1973

Regan.Garner@azed.gov

Nannette Flores

Program Project Specialist

Health and Nutrition Services

602-542-8729

Nannette.Flores@azed.gov

ADE USDA Foods in Schools Warehouse Contact Information

Billing Address: US Foods, Inc.
P.O. Box 52531
Phoenix, AZ 85072
4I-DL-USDA@USFoods.com

Pamela Bowers

Bid Coordinator – Int

602-352-3439

Pamela.Bowers@USFoods.com

Kassandra Morales

Bid Coordinator – Int

602-352-3347

Kassandra.Morales@USFoods.com

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, sex, disability, age, or reprisal or retaliation for prior civil rights activity in any program or activity conducted or funded by USDA.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotape, American Sign Language, etc.), should contact the Agency (State or local) where they applied for benefits. Individuals who are deaf, hard of hearing or have speech disabilities may contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program complaint of discrimination, complete the [USDA Program Discrimination Complaint Form](#), (AD-3027) found online at: [How to File a Complaint](#), and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- 1. mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;*
- 2. fax: (202) 690-7442; or*
- 3. email: program.intake@usda.gov.*

This institution is an equal opportunity provider.