

USDA Reconciliations

Record Keeping: These records will be checked during the biennial site visit by the Food Bank. The following documents must be maintained for 3 years, plus the current fiscal year:

- Food Bank invoices
- Inventory forms
- Sign-in sheets or eligibility declaration forms (food pantries only)
- Single audits (if applicable)

Inventory Tips:

- Reconciliations should be completed monthly
 - If you only order 2 USDA products or less a month you may do an annual reconciliation rather than monthly
- Count inventory to the nearest case- no need to count individual products!
 - If there is less than half a case left, round down
 - If half a case or more is remaining, round up
 - When writing product names, you do not need to write out the full Food Bank product code, the name of the product is enough
 - If there are similar products within a month, make sure to distinguish between the two. Example- if you receive canned pineapple slices and canned pineapple chunks, those will be listed as different products and written on different lines.
- For any adjustments (like having to throw away expired produce), make sure to include a note in the column detailing what it was and why it had to be disposed of.
- Only include USDA products. On your Food Bank invoices, this is any item with a product code that begins with “U”

Info You Will Need to Complete the Reconciliation Sheet:

- The starting inventory for the month (you copy this over from the previous month’s closing inventory)
 - For the first month you receive USDA, starting inventory for all items will be 0. After the first month, starting inventory will match closing inventory of the previous month
- How much USDA you received over the course of the month (found on your Food Bank invoices, all USDA products will have a produce code beginning with “U”)
- Any relevant details about having to discard product without distributing it (like having to throw away expired produce)
- How much USDA product you distributed (calculated using the above info)
- Your closing inventory for the current month

Calculating Amount Distributed: For each product the closing inventory will be found using

$(\text{Opening Inventory} + \text{Amount Received During Month}) - \text{Any Product You Disposed Of} = \text{Available Inventory}$

$\text{Available Inventory} - \text{Closing Inventory (what is remaining at the end of the month)} = \text{Amount Distributed}$

$\text{Closing Inventory (what is remaining on the shelves at the end of the month)} = \text{the Opening Inventory for the next month}$

Example:

Looking at your closing inventory last month, you had 1 case of vegetable soup, 1 case of lentils, 1 case of egg noodles, 1 case of grape juice, 1 case of pears, 1 case of blueberries, and 1 case of eggs left over.

1. The closing inventory from last month has become your opening inventory for this month. The product name and amounts (rounded to the nearest case) are written in the left columns.
2. During the month you received more egg noodles (4), pears (2), mixed vegetables (4), and beans (2). You will get these numbers from your Food Bank invoices.
 - a. Since you already had some egg noodles and pears left over from last month, add the amount received to the product line previously created during opening inventory.
 - b. Create new lines for the new products (mixed vegetables and beans) by noting 0 in the opening inventory. Write the amounts received in the corresponding column.
 - c. If you had an item in opening inventory and didn't receive any more of that item during the month, write 0 in the amount received column
3. During the month you noticed 1 of the cases of blueberries had gotten moldy and had to be thrown away.
 - a. Note the number in the adjustment column, and then write a note saying why it could not be distributed
4. At the end of the month, you count what is left. You have egg noodles (1), pears (1), mixed vegetables (2), and beans (1) left. This becomes the opening inventory for next month.
5. Finally, calculate the amount distributed for all USDA product
 - a. Available Inventory (Opening inventory + Amount Received – Adjustments) – Closing Inventory (what is left at the end of the month) = Amount Distributed
 - b. Example: For blueberries, you start the month with 1 case, received 0 new cases, and had to throw one away. $1+0-1=0$

USDA Product Name	Opening Inventory (first day of month)	Amount Received During Month	Amount Distributed	Closing Inventory (last day of month)	Adjustments	Adjustment Explanation
Vegetable Soup	1	0	1	0		
Lentils	1	0	1	0		
Egg Noodles	3	4	6	1		
Grape Juice	1	0	1	0		
Pears	1	2	2	1		
Blueberries	1	0	0	0	-1	Blueberries were spoiled. Could not distribute.
Eggs	1	0	1	0		
Mixed Veg.	0	4	2	2		
Beans	0	2	1	1		