SOUP KITCHENS
(SKP)

FOOD DISTRIBUTION PROGRAM
HANDBOOK
2011

NORTH CAROLINA DEPARTMENT OF AGRICULTURE
AND CONSUMER SERVICES
FOOD DISTRIBUTION DIVISION
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Steve Troxler, Commissioner

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I. INTRODUCTION

The United States Department of Agriculture's Food Distribution Program makes available commodity foods to designated State distributing agencies for meal preparation and service to eligible program recipients. All of the commodities purchased by USDA are purchased through surplus removal and price support programs.

This handbook was created to provide descriptive on-site guidance for management in accordance with federal and State requirements, while participating in the Food Distribution Program.

II. REFERENCE MATERIALS

A. *USDA Regulations and Instructions*

The Food Distribution Program is authorized by the U.S. Congress through several pieces of legislation. The primary pieces of legislation which enable the various commodities to be provided to soup kitchens are:

- Section 32 of the Agricultural Act of 1935, which authorizes the purchase and distribution of perishable commodities in order to remove surplus product and stabilize farm prices; and

- Section 416 of the Agricultural Act of 1949, which authorizes the purchase and distribution of commodities for the purpose of supporting farm prices.

Regulations are developed and issued by USDA based upon provisions contained in the enabling legislation. Copies of pertinent regulations (***e.g., Code of Federal Regulations 250, 251***) are available upon request from the State distribution agency.

In addition to regulations, formal instructions and policy memoranda are issued to provide more detailed guidance in dealing with specific areas of the program.

The guidance contained in this handbook incorporates requirements for program administration identified in legislation, regulations, instructions, policy memoranda and guidance material on good management practices issued by both the federal and state offices.

B. *USDA Commodity Specifications*

Specifications identify the product characteristics in terms that are mutually understood by the purchaser (USDA) and the vendor. Components of the specification may include:

1. Name of Item
2. Quality or official grade
3. Kind, style and/or variety
4. Product composition
5. Special instructions
6. Conditions
7. Size of the product
8. Packaging and pack units

Soup Kitchens may be able to utilize these specifications in their procurement activities. However, some products described may not be available on the commercial market to individual purchasers.

C. *USDA Commodity Fact Sheets*

USDA Commodity fact sheets **(Exhibit 1)** are available for each commodity item. Each fact sheet provides the following information about the product:

1. Product description
2. Pack size including the number of units per case
3. Yield per unit (number of servings)
4. Usage suggestions
5. Storage guidelines
6. "Best if Used By" guidance

The Food Distribution Division will provide fact sheets as new commodities become available upon request. Or, they can be downloaded by visiting http://www.fns.usda.gov/fdd/programs/tefap/cfs_tefap.htm.

D. *USDA Standardized Recipes*

USDA standardized recipes **(Exhibit 1)** may be requested from the state distribution agency. Or they too can be downloaded from the same web address as the fact sheets by visiting http://www.fns.usda.gov/fdd/programs/tefap/cfs_tefap.htm.

III. ELIGIBILITY/AGREEMENTS

A. Soup Kitchens are eligible to participate in the food distribution program if the following criteria are met:

1. Agency must complete Application for USDA Donated Food (**Exhibit 2**)
2. Agency must provide congregate meals to people in need.
3. Agency must maintain a non-profit status and public service. (Proof of 501-C)
4. Agency must have adequate dry and freezer storage facilities.

B. Soup Kitchens, upon meeting eligibility requirements, will:

1. Enter into a Contract and Agreement with NCDA&CS Food Distribution Division (**Exhibits 3 & 4**).
2. Execute amendments to contract annually being signed by current administrator or designated representative.

IV. AVAILABLE COMMODITIES

The type and amount of commodities that USDA donates may vary from time to time depending on market conditions.

All of the commodities that USDA purchases must be certified by the USDA's inspection services to ensure they meet established specifications. Specifications for the quality of the commodities purchased are constantly updated. Recently, revised specifications have reduced the fat, sugar and salt contents of foods purchased. Updated specifications also improve the cooking quality of the commodities purchased.

All USDA foods are offered or made available on a use without waste basis, and ***must be used within a six (6) months time period.***

V. ALLOCATIONS

A. *Making Foods Available*

Commodities are purchased by USDA based on a number of factors such as: market conditions, the amount, types and cost of foods available. Once the commodities are requested by a Soup Kitchen, it is the Soup Kitchen's responsibility to advise the state distribution agency *in writing* of their individual refusals and quantity changes.

B. *Ordering Commodities*

USDA informs the state distribution agency (Food Distribution Division) of actual or estimated quantities or specific commodities expected to be made available. The state distribution agency sends out a quarterly survey or PAL (Planned Assistance Level) to the Soup Kitchens for their requests. (**Exhibit 5)**

VI. RECEIVING COMMODITIES

A Soup Kitchen may receive USDA commodities from a state warehouse, where the USDA commodities have been received, stored and have become available to Soup Kitchens. The warehouse will notify the agency / Soup Kitchen by fax as to which commodities are available, also, when and where they may be picked up.
(Exhibit 6 and 7)

A. *Unloading*

During the unloading process, a careful watch for damaged foods, out-of-condition foods, frozen foods that have thawed, spoiled cases, or any indication of spillage or breakage should be conducted. Any problem should be investigated *immediately.*

Affected foods should be refused or salvaged to the maximum extent possible. Foods with any indication of rodent or insect contamination should be refused.

Commodities found to be damaged or unusable should be reported to the Food Distribution Division on the delivery notice / invoice. (**Exhibit 7**)

B. *Inventory*

As soon as foods are accepted they should be moved into correct storage areas to prevent theft or deterioration by thawing, and then entered into inventory records.

VII. STORAGE

The storage of commodities involves two major areas -- storage conditions and storage practices. Soup Kitchen employees should familiarize themselves with state health codes that need to be practiced in addition to these USDA / NCDA&CS storage guidelines.

A. *Storage Conditions*

Storage conditions are those factors that must be considered in order to prevent the premature deterioration of commodities.

1. **Temperatures**

   a. To maintain quality, food must be stored at proper temperature. Soup kitchens should refer to the commodity fact sheets for each commodity and/or NCDA&CS invoice for each commodity's storage temperature instructions. (**Exhibit 8**)

   b. Temperatures in freezers, dry storage, and refrigerators/coolers should be checked and recorded on a daily basis and checked when known or potential power losses have occurred. **It is *required* that freezers and coolers be checked and recorded seven (7) out of every seven (7) days.** It is ***recommended*** that dry storage be checked and recorded seven (7) out of every seven (7) days as well. This 7 out of 7 days includes holidays and vacations.

   The Recommended temperatures are:

   Freezer: -10°F to 0°F
   Cooler: 35 °F to 45°F
   Dry Storage: 50°F to 70°F

2. **Guidelines**

   General guidelines apply to Soup Kitchens receiving commodities:

   - The product being delivered is the product requested (including amount) and identified on the delivery ticket.

   - The product is in good condition – not damaged or spoiled.

   The receiving party should personally check everything before signing a delivery

document. In the event that any food is questionable, products or portions thereof should be rejected or conditionally accepted. Every exception should be noted on the actual delivery document and signed by *both* the receiving party and the delivery person. Also, Food Distribution Division should be notified immediately of significant problems.

B. *Shipments Through State Warehouses*

The Food Distribution Division will notify the Soup Kitchen of the amount of available food to be shipped from the state warehouse on a notice of delivery or invoice (**Exhibit 6 and 7)**. Included in this notification will be such items as estimated case value of the commodity, the arrival date, and type of storage required for the commodities. To avoid problems during the delivery process, the Soup Kitchen and the Food Distribution Division should have a clear understanding of any special needs. The delivery notice or invoice indicates the date and time to meet the state-owned truck. **It is the responsibility of the agency (Soup Kitchen) to make arrangements to pick-up the USDA commodities at the location and time designated by the state warehouse.** It is also the responsibility of the Soup Kitchen to be *on time* to pick up their commodities. The USDA commodities not picked up will be returned to the state warehouse and put back into inventory. These commodities will be recycled and returned to the Soup Kitchen at the next appointed delivery date, ***if*** the agency (Soup Kitchen) notifies the warehouse within **ten days**. Otherwise, the Soup Kitchen is no longer entitled to the commodities.

Prior to the truck's arrival, the receiving employee should have the faxed list of foods that were to be shipped (delivery notice or invoice) **Exhibit 6 and 7**, and have all necessary storage areas prepared to accept the delivery. Upon arrival, the list must be compared to the delivery ticket carried by the truck driver. If they are the same, unloading should proceed with the responsible Soup Kitchen employee keeping a careful count of every item and preparing a tally sheet of the items unloaded.

C. *Storage Practices*

Storage practices are those ongoing activities which maintain the commodities and storage area in good condition.

1. **First In, First Out (FIFO)**

Commodities should be stacked so that the foods with the oldest pack dates are in front and are used first. USDA commodities, unlike many commercial foods, have the pack date or contract number on the case. **NOTE:** If food is taken out of the cases, the individual units (cans, boxes, etc.) should be marked with the pack date. In the event the cases are not marked with a pack

or best if used by date, the cases/cans should be marked by receiving party as to the date received.

2. **Stacking**

   a. Stacks should not be so high as to cause bursting or crushing of the bottom layers.

   b. All commodities should be cross-stacked to keep the stack solid.

   c. Commodities should not be stacked near sources of steam or heat.

3. **Protection of USDA commodities in Storage**

   a. USDA commodities should be checked regularly for signs of deterioration.

   b. Inspections should be made regularly for torn sacks and broken cartons.

      If food is contained in torn sacks and broken cartons and is in good condition, it should be repacked; otherwise, it should be properly destroyed. (See Section VIII. Food Losses). A statement should be obtained from the landfill indicating the product has been covered. If the product is disposed of by other methods, the label must be defaced and destroyed separately from the product.

   c. Storage areas and freezers/coolers should be maintained in a clean and orderly manner.

   d. Monthly extermination treatments are recommended, however, more often if necessary.

   e. USDA commodities should be stored away from pesticides, cleaning supplies and paper products.

   f. USDA commodities should be stored so that they are secure from theft.

   g. Refer to storage guide codes listed on the delivery notice /invoice (**Exhibit 7**). Descriptions of storage code numbers are listed at the bottom of each delivery notice or invoice.

4. **Air Circulation**

   a. Air circulation is important for frozen, chilled and dry storage.

   b. Commodities should be stacked on pallets or shelves with at least four inches wall and floor clearance and two feet ceiling clearance. Blowers should not be blocked by commodities.

VIII. FOOD LOSSES

Occasionally, Soup Kitchens will experience losses of USDA commodities which were received in good condition. Generally, such losses will be due to inventory adjustments or due to theft, damage, infestation or spoilage. Foods which go out of condition (damage, swollen cans and spoilage) frequently create sanitation problems. The state distribution agency should be contacted immediately in such situations for guidance in dealing with the matter since inspection of the food by health authorities or representatives of the state distribution agency, or USDA may be necessary. Losses of food either purchased or USDA commodities, are expensive, and care should be taken to prevent them. When losses occur, it is the responsibility of the Soup Kitchen to demonstrate that reasonable efforts were made to safeguard foods.

A. *Loss Reports*

1. When a USDA commodity food loss occurs, it must be reported to the North Carolina Department of Agriculture and Consumer Services, Food Distribution Division office. A claim number will be assigned and a form mailed **(Exhibit 9**). The form must be completed by the Soup Kitchen and returned to North Carolina Department of Agriculture and Consumer Services, Food Distribution Division. The report should include any information and / or explanation concerning the loss and how it occurred. While some losses are unavoidable, some occur due to the lack of proper handling or management of the foods. Losses which could have been avoided may result in the Soup Kitchen being required to replace the food or pay for the loss.

2. For USDA commodity losses under $100 per incident, the loss should be documented, the food properly disposed of, and the lost amount reduced from the inventory. **All USDA commodity food losses $100 and over must be reported to Food Distribution.**

B. *Disposal of Out-of-Condition Foods*

1. Labels from cartons should be obliterated so that innocent people will not eat contaminated food.

2. Food should be adulterated so that it is no longer edible or fit for human or animal consumption. For example, bleach should be poured on the food.

3. Food can also be taken to a landfill and buried or burned. The Soup Kitchen must witness disposition of foods and obtain a receipt from the landfill operator as proof of proper disposal.

C. *Claim Determination*

If negligence is determined, a claim will be assessed. Bonus foods may be replaced with like or similar items at the Food Distribution Division's option. In cases where it would not be practical to replace a lost commodity, the Soup Kitchen will be required to pay for those items.

IX. INVENTORY AND UTILIZATION RECORDS

A. *Inventory Records*

Soup Kitchens should maintain the following:

1. A "perpetual inventory" (**Exhibit 10**) will be used for daily recording of amounts of food added to or removed from storage.

2. A monthly physical inventory (**Exhibit 11**) of all USDA commodities placed in all storage facilities shall be maintained. This inventory record should be reconciled with the perpetual inventory to ensure accurate balances. Both inventory records should be retained for five (5) years.

3. If any USDA commodities are stored in commercial storage facilities, physical inventory of these foods is required. A contract containing specific criteria must be signed and dated by the respective Soup Kitchen and the commercial storage facility. The original contract is kept on file at the agency (Soup Kitchen) and a current copy of this contract must be on file at the Food Distribution Division, Butner office.

4. If the Soup Kitchen contracts with a food service management company, a physical inventory of USDA foods on hand at the company's production facility or other storage location is required. A contract containing specific information must be signed and dated by the respective Soup Kitchen and the food service management company. The original contract is kept on file at the agency (Soup Kitchen) and a current copy of this contract must be on file at the Food Distribution Division, Butner office.

The inventory report should give the names of all storage locations. Good inventory management procedures are necessary for the Food Distribution Program. The State Food Distribution Division staff should be consulted for technical assistance in these management areas.

The State Food Distribution Division staff will check the inventory reports for excessive

supply levels. Where excesses exist, transfers will be arranged and/or future allocations will be reduced.

If assistance is needed on physical or perpetual inventory procedures or forms, the North Carolina Department of Agriculture and Consumer Services, Food Distribution Division should be contacted at (919) 575-4490, or contact the Field Representative assigned to your agency.

B. *Transfer of USDA Donated Foods*

1. Anytime a USDA commodity needs to be moved from one Soup Kitchen to another Soup Kitchen, a record of transfer is required (**Exhibit 12**). Soup Kitchen should contact their field representative or call Butner office.

2. Before a USDA commodity is transferred to another agency, it must be approved by the North Carolina Department of Agriculture and Consumer Services, Food Distribution Division. A special transfer form is used and a number is assigned when making arrangements to transfer USDA commodities from one participating Soup Kitchen to another.

X. MONITORING

Food Distribution Division reviews all program areas such as eligibility, record keeping, storage procedures and practices, allocations and utilization of USDA commodities, and food processing. Representatives of USDA may also review and/or audit your program **(Exhibit 13).** Every recipient agency will be reviewed **every two (2) years**.

XI. CIVIL RIGHTS COMPLIANCE

All agencies participating in the USDA Commodity Foods Program, including Soup Kitchens, are required to assure that recipients are not discriminated against because of race, color, national origin, age, sex, or disability. A Civil Rights Compliance form **(Exhibit 13)** will be completed and submitted at the same time as the review. If there is a civil rights complaint, it should be noted on a "Report of Findings of Non-compliance" form **(Exhibit 14)** and submitted to the Food Distribution Division to be forwarded to USDA. In addition, a USDA "And Justice for All" poster should be on display in plain view of the serving line.

XII. FOOD ALERTS

In spite of quality controls and inspections, products sometimes find their way into the marketplace which may be suspected to cause a potential health hazard. Full cooperation is necessary at all levels (federal, state, and local) to identify and place a "**Hold**" on suspected products. As soon as USDA's Regional Office is notified of a food alert, NCDA&CS Food Distribution representatives will contact each Soup Kitchen.

When the food alert is over, the Food Distribution Division will contact the Soup Kitchen as to the proper steps to be taken with the respective USDA commodities.

XIII. FOOD COMPLAINTS

In the food business, every company will occasionally have complaints regarding their products. This is also true with USDA commodities. If a Soup Kitchen experiences problems with commodities such as a packaging issue (rusty cans, bags not sealed properly), foreign objects in the food, poor quality/texture of food, the Food Distribution Division should be contacted immediately. Before the Food Distribution Division is contacted, the Soup Kitchen should gather all available information concerning the problem such as: the full name of the commodity, the nature of the complaint, the number of cases/bags involved**,** pack date, contract number, total number cases in inventory, packer's name, and NCDA&CS invoice number **(Exhibit 15)**.

The food in question should be placed *on hold* until it can be inspected and/or a decision made as to what action is to be taken. Depending upon the circumstances, every effort will be made to replace the food.

The USDA Food Complaint Form can be found at www.ncagr.gov/fooddist/

XIV. NCGRANTS ONLINE REPORTING

(Exhibit 16) contains guidelines for you to follow in order to report the dollar value of USDA Commodities your agency receives each year in accordance with GS 143C-6-23. Your agency is required to submit these reports electronically (see EXHIBIT 3, attachment C) with the Office of State Budget & Management in the NCGrants Online Reporting System each year.

XIV. EXHIBITS

Exhibit 1	USDA Commodity Fact Sheet / Recipe Sheet
Exhibit 2	Application for USDA Donated Food
Exhibit 3	Contract
Exhibit 4	Permanent Agreement
Exhibit 5	Quarterly Soup Kitchen PAL
Exhibit 6	Notice of Delivery Fax Cover Sheet
Exhibit 7	Delivery Notice / Invoice
Exhibit 8	Food Storage Temperature Recording Chart
Exhibit 9	Donated Food Loss Report Form
Exhibit 10	Donated Foods Perpetual Inventory Form
Exhibit 11	Monthly Food Inventory Form
Exhibit 12	Record of Transfer – USDA Commodity Foods
Exhibit 13	Administrative Review / Civil Rights Compliance Form
Exhibit 14	Report of Findings of Non-Compliance Form
Exhibit 15	Complaint Form for Reporting Complaints on USDA Commodities
Exhibit 16	NCGrants Online Reporting System
Exhibit 17	Accessing the NCGrants System

EXHIBIT 1

UNITED STATES DEPARTMENT OF AGRICULTURE

Household Commodity Fact Sheet

APPLESAUCE, CANNED, UNSWEETENED

Date: April 2009 Code: A351

PRODUCT DESCRIPTION

- Canned unsweetened applesauce is U.S. Grade A with natural color and flavor. Applesauce may have added ingredients to prevent browning. The label will state if this is so.

PACK/YIELD

- Each can contains about 15 ounces, which is about 2 cups or 4 servings (½ cup each).

STORAGE

- Store unopened cans in a cool, clean, dry place.
- Store opened applesauce in a tightly covered container not made from metal and refrigerate.
- Look at the "Best if used by" or "Best by" date on the can.
- For further guidance on how to store and maintain USDA Foods, please visit the FDD Web site at: http://www.fns.usda.gov/fdd/facts/biubguidance.htm.

USES AND TIPS

- Unsweetened applesauce can be served as a simple dessert, at room temperature or chilled. Sprinkle with cinnamon for an extra treat.
- Applesauce is a great fat substitute in baking cakes, muffins, breads, and other baked goods. Substitute half the amount of fat in a recipe with applesauce for lower fat baking. (For example, if a recipe calls for ½ cup oil, use ¼ cup oil and ¼ cup applesauce instead.)
- Applesauce can be a wonderful topping for potato pancakes, roasted or grilled pork, or pancakes and waffles.

NUTRITION INFORMATION

- ½ cup of applesauce counts as ½ cup in the MyPyramid.gov Fruit Group. For a 2,000-calorie diet, the daily recommendation is about 2 cups.

FOOD SAFETY INFORMATION

- If the can is leaking or the ends are bulging, **throw it away**.
- If the canned food has a bad odor, or liquid spurts out when the can is opened, **throw it away**.

OTHER RESOURCES

- www.nutrition.gov
- www.commodityfoods.usda.gov

NUTRITION FACTS

Serving size: ½ cup (122g) canned applesauce, unsweetened

Amount Per Serving	
Calories 50	Calories from Fat 0
	% Daily Value*
Total Fat 0g	**0%**
Saturated Fat 0g	**0%**
Trans Fat 0g	
Cholesterol 0mg	**0%**
Sodium 0mg	**1%**
Total Carbohydrate 14g	**4%**
Dietary Fiber 2g	**6%**
Sugars 12g	
Protein 0g	

Vitamin A 0%	Vitamin C 2%
Calcium 0%	Iron 0%

*Percent Daily Values are based on a 2,000 calorie diet.

EXHIBIT 1

Household Commodity Fact Sheet

UNITED STATES DEPARTMENT OF AGRICULTURE

DUTCH APPLE YOGURT

MAKES ABOUT 2 SERVINGS

Ingredients

- ½ cup plain or vanilla nonfat yogurt
- ½ cup unsweetened applesauce
- 1 tablespoon raisins
- ⅛ teaspoon ground cinnamon
- 1 teaspoon brown (or regular sugar)
- 1 tablespoon nuts, or 1 tablespoon crunchy cereal such as oat cereal or corn flakes

Directions

1. Combine all ingredients in a small bowl and mix well.
2. Cover and refrigerate until chilled.
3. Eat and enjoy as a snack or dessert.

Nutrition Information for 1 serving (about 1 cup) of Dutch Apple Yogurt							
Calories	140	**Cholesterol**	5 mg	**Sugar**	12 g	**Vitamin C**	14 mg
Calories from Fat	10	**Sodium**	90 mg	**Protein**	4 g	**Calcium**	127 mg
Total Fat	1 g	**Total Carbohydrate**	30 g	**Vitamin A**	1 RAE	**Iron**	2 mg
Saturated Fat	0.5 g	**Dietary Fiber**	2 g				

Recipe adapted from SNAP-ED Connection Recipe Finder, http://recipefinder.nal.usda.gov.

APPLESAUCE BREAKFAST CAKE

MAKES ABOUT 12 SERVINGS

Ingredients

- Nonstick cooking spray
- 1 ½ cups flour plus 1 tablespoon
- 1 ¼ teaspoons baking powder
- ¼ teaspoon baking soda
- 1 teaspoon cinnamon
- ½ teaspoon nutmeg (if you like)
- ½ cup granulated sugar (use 1 cup regular sugar if brown sugar is not used)
- ½ cup brown sugar (if you like)
- 1 egg
- 1 ¼ cup applesauce
- ¼ cup vegetable oil
- 1 teaspoon vanilla extract
- ½ cup raisins

Directions

1. Preheat oven to 350 degrees F. Coat a 9-inch bundt pan or a 8x4-inch loaf pan with nonstick cooking spray and dust with 1 tablespoon flour.
2. Combine the remaining flour (1 ½ cups), baking powder, baking soda and cinnamon. If using nutmeg, add that too. Mix well.
3. Combine sugars, egg, applesauce, oil, and vanilla. Mix into flour until combined. Stir in raisins.
4. Bake for 30-35 minutes or until cake is browned and a toothpick or fork inserted into the center comes out clean. Allow to cool in pan for 10 minutes; turn pan upside down onto a rack or plate and cool.

Nutrition Information for 1 serving of Applesauce Breakfast Cake							
Calories	210	**Cholesterol**	18 mg	**Sugar**	26 g	**Vitamin C**	1 mg
Calories from Fat	50	**Sodium**	90 mg	**Protein**	2 g	**Calcium**	48 mg
Total Fat	5 g	**Total Carbohydrate**	40 g	**Vitamin A**	6 RAE	**Iron**	1 mg
Saturated Fat	1 g	**Dietary Fiber**	1 g				

Recipes adapted from The Passionate Vegetarian Cookbook.

These recipes, presented to you by USDA, have not been tested or standardized. *USDA is an equal opportunity provider and employer.*

NCD-8
8/08

EXHIBIT 2

NORTH CAROLINA DEPARTMENT OF AGRICULTURE
AND CONSUMER SERVICES
FOOD DISTRIBUTION DIVISION
PO Box 659
Butner, NC 27509-0659
PHONE (919) 575-4490 FAX (919) 575-4143

APPLICATION FOR USDA DONATED FOOD

RA Code _____

RA Name _____

The Agency above hereby makes application to the North Carolina Department of Agriculture and Consumer Services for foods donated by the United States Department of Agriculture. In support of the application, we are submitting the following information relative to the operation of the institution (agency).

I. GENERAL INFORMATION

A. Type of institution (check one only)

- ☐ 1. Nonprofit, nonpenal, educational (school)
- ☐ 2. Nonpenal, noneducational, public (federal, state, county or city)
- ☐ 3. Nonprofit, tax-exempt, private hospital
- ☐ 4. Other nonprofit, noneducational, tax-exempt, private institution organized for charitable or public welfare purposes such as home for aged, orphanage, child care center, etc.
- ☐ 5. Correctional facility
- ☐ 6. Jail (county or city)
- ☐ 7. Other (explain)

_____

_ _____

_ _____

- ☐ 8. Give a brief description of institution and its purposes

_____

_____

_____

B. Tax Exempt letter enclosed: ☐ Yes ☐ No

To be eligible to participate in the Food Distribution Program, the applicant must have been declared tax-exempt by the U.S. Treas ury, Internal Revenue Service, within the past three (3) years.

IMPORTANT - Please enclose a copy of your tax-exempt letter from the Internal Revenue Service. (*Not required for applicants in Class I, A -2, 5 & 6 above.)*

C. Agency/Institution Fiscal Year End. i.e. (12/31) _____
Month/Day

II. CHARGES

A. Does the institution (facility) make a charge for its services? (Include room, meals, tuition, and all other services.)

If so, give charge per person per month . . . . . $_____

B. Is food service operated on a nonprofit basis? . . . . . _____

C. Give capacity of the institution (facility) . . . . . _____

III. FOOD SERVICE

A. Does the institution (facility) maintain an established feeding operation on a regular basis as an integral part of its normal activity? . . . . . _____

B. Does the institution (facility) serve meals 12 months each year? . . . . . _____

If not: Opening Date _____

Closing Date _____

C. Do you employ a food service or food management company to conduct your feeding operation? _____
(If yes, a copy of the contract MUST be attached to this completed application.)

D. Do you employ another agency or firm to convert foods (USDA donated) into a different end product? . . . . . _____

E. Do you contract with a commercial food storage facility? _____

(If yes, a copy of the contract must be attached to this completed application)

F. Location where foods are stored

_____ _____
(Street Address) (City)

G. Location of kitchen facilities used in meal preparation

_____ _____
(Street Address) (City)

H. Location of site (s) where food is served

_____ _____
(Street Address) (City)

S how average daily number of meals served to eligible persons during past six months. Estimate number to be served if new operation. Do not include staff or other ineligible persons.

	Average Daily Number of Breakfast	Average Daily Number of Lunch	Average Daily Number of Dinner
Sunday			
Monday			
Tuesday			
Wednesday			
Thursday			
Friday			
Saturday			

IV. Name of person designated to receive telephone calls and correspondence concerning foods:

Name: _____

Title: _____

Telephone Number: _____

Fax Number: _____

Email Address: _____

IV. Name of person authorized to sign a contract with NCDA&CS:

Name: _____

Title: _____

Telephone Number: _____

Fax Number: _____

Email Address: _____

CIVIL RIGHTS ASSURANCE

The Recipient Agency (RA) hereby agrees that it will comply with Title VI of the Civil Rights Act of 1964 (P.L 88-352), Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112), Age Discrimination Act of 1975 (P.L. 94-135), and all requirements imposed by the regulations, to the effect that, no person in the United States shall, on the ground of race, color, national origin, age, sex or disability, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under any program or activity for which the program applicant received Federal financial assistance from the department; and hereby gives assurance that it will immediately take any measures necessary to effectuate this agreement.

This assurance is given in consideration of and for the purpose of obtaining any and all Federal financial assistance, grants and loans of Federal funds, reimbursable expenditures, grant or donation of Federal property and interest in property, the detail of Federal personnel, the sale and lease of, and the permission to use, Federal property or interest in such property or the furnishing of service without consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale, lease or furnishing of services to the recipient or any improvements made with Federal financial assistance extended to the program applicant by the department. This includes any Federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance such as food, and cash assistance for purchase or rental of food service equipment or any other financial assistance extended in reliance on the representations and agreements made in this assurance.

By accepting this assurance, the RA agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of Title VI and permit authorized USDA personnel during normal working hours to review such records, books and accounts as needed to ascertain compliance with Title VI. If there are any violations of this assurance, the Department of Agriculture, Food and Nutrition Service shall have the right to seek judicial enforcement of this assurance. This assurance is binding on NCDA&CS and the RA, its successors, transferees, and assignees as long as it receives assistance or retains possession of any assistance from the department. The person or persons whose signatures appear on this agreement are authorized to sign this assurance on behalf of the program applicant.

The RA accepts full responsibility for compliance with the provisions of this Agreement, including liability for any commodities lost through negligence or for any reimbursement received for costs inadequately documented. This responsibility is held equally by RAs, which distribute commodities to other organizations for provisions to needy persons.

The undersigned hereby certifies that the information given above was obtained from substantiated records of this agency which may be audited or verified by the North Carolina Department of Agriculture and Consumer Services or its agent.

_____
(Name of Recipient Agency)

_____ _____ _____
(Address) (City) (Zip)

_____ _____ _____
(Signature of Head of Institution) (Title) (Date)

_____
(Printed Name Head of Institution)

NOTE: Section 504 of the Rehabilitation Act is designed to assure that those who receive federal financial assistance will not discriminate against disabled persons. It provides in relevant part as follows:

"No otherwise qualified disabled individual in the United States...shall solely by reason of his disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance"

Exhibit 3

STATE OF NORTH CAROLINA
COUNTY OF WAKE

Departmental Use Only

CENTER: _____
ACCOUNT: _____
CFDA/OTHER: **10.569**
AMOUNT: _____

North Carolina Department of Agriculture and Consumer Services
Food Distribution Division

CONTRACT # _____

Private Institutions & Soup Kitchens (Commodities Only)

This Agreement is hereby entered into by and between the ***North Carolina Department of Agriculture and Consumer Services, Food Distribution,*** (the "Agency") and _____, (the Grantee) (referred to collectively as the "Parties"). This contract is for the purpose of receiving USDA donated commodities from the Agency, which will be used by the Grantee to feed the hungry and/or for the purpose of distributing USDA donated commodities. The Grantee's federal tax identification number is_____, and the Grantee is physically located at

_____,
(Street Address, City, State and nine digit zip code)
and in _____County.

The Grantee's fiscal year begins in _____ and ends in _____.
(Month/Day) (Month/Day)

On an **annual** basis, this Contract may be extended, in writing by the Agency, for the purposes of the extension and to incorporate any other changes that may be appropriate due to changes in applicable rules and regulations, policies and procedures.

Donated commodities are provided by USDA, Food Nutrition Service in accordance with "Code of Federal Domestic Assistance" (CFDA) number 10.569.

1. **Contract Documents:** This Contract consists of the documents listed below.

   A. This Contract
   B. The General Terms and Conditions (Attachment A)
   C. Grantee Duties (Attachment B)
   D. Notice of Certain Reporting and Audit Requirements and Other Provisions (Attachment C)
   E. Certification of No Overdue Tax Debts (Attachment D)
   F. IRS federal tax exempt letter or 501(c) 3 verification form
   G. Conflict of Interest Policy
   H. Federal Certification Regarding Lobbying (Attachment E)
   I. Supplemental Information Required for NC OpenBook (Attachment F)
   J. Certification Regarding Debarment and Suspension (Attachment G)
   K. W-9 Request for Taxpayer Identification Number and Certification

   These documents constitute the entire contract between the Parties and supersede all prior oral or written statements or Contracts.

2. **Precedence Among Contract Documents:**

   In the event of a conflict between or among the terms of the Contract documents, the terms in the Contract documents with the highest relative precedence shall prevail. The order of precedence shall be the order of documents as listed in Paragraph 1, above, with the first-listed document having the highest precedence and the last-listed document having the lowest precedence. If there are multiple Contract Amendments, the most recent Amendment shall have the highest precedence and the oldest Amendment shall have the lowest precedence.

3. **Effective Period:** This Contract shall be effective on July 1, 2011, and shall terminate on June 30, 2012.

Informational Copy Do Not Submit

4. **Grantee's Duties:**

The Grantee shall comply with all provisions of the Contract, regulations, any amendments thereto, and any instructions, policies, and/or procedures issued in connection therewith. Specifically, the Grantee shall agree to conform to the services and/or requirements as described in Grantee's Duties (Attachment B).

5. **Agency's Duties:**

A. The Agency shall notify the Grantee of the availability of any commodities and will specify any special terms and conditions of donation that are attached to a particular commodity in addition to the general terms and conditions set forth herein. Commodities will be delivered in accordance with the requested schedules whenever possible. However, the Agency shall not be held responsible for delays or non-delivery of any commodity regardless of cause.
B. The Agency shall provide the Grantee the calculated purchase price of USDA commodities that have been distributed to the Grantee in accordance with this Contract and all applicable Federal and State regulations.

6. **Conflict of Interest Policy:**

Grantee shall file with the Agency a copy of Grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds and shall include actions to be taken by the grantee or the individual, or both to avoid conflicts of interest and the appearance of impropriety. The Policy shall be attached to this Contract becoming a part of the contractual document. The Policy shall be received by the Agency prior to the delivery of any USDA donated commodities to the Grantee.

7. **Statement of No Overdue Tax Debts:**

Grantee's sworn written statementpursuant to N.C.G.S. 143C-6-23, stating thatthe Grantee does not have any overdue tax debts, as defined by G.S. 105-243.1, at the federal, State, or local level, isattached as Attachment D. The Statement shall be attached to thisContract becoming a part of the contractual document, and shall be received by the Agency prior to the Grantee receiving financial assistance from the Agency. The financial assistance shall be in the form of any food commodities.

8. **Reversion of Unexpended Funds:**

This section is not applicable to this Contract; no actual funds are being disbursed by the Agency. Financial assistance is being provided by the Agency through the delivery of USDA donated commodities to the Grantee, not cash.

9. **Reporting Requirement:**

The Agency has determined that this Contract is subject to the reporting requirements described in the attached Notice of Certain Reporting and Audit Requirements (Attachment C).

10. **Payment Provisions:**

A. There are no provisions in this Contract for the Agency to disburse funds to the Grantee.
B. If excess funds accumulate, from activities described in Section I. of Grantee'sDuties (Attachment B), such funds shall be used to purchase additional food or shall be paid to the Agency. A separate account will be maintained showing all receipts and disbursements from such funds and a complete accounting will be made to Agency annually.

11. **Contract Administrators:**
All notices permitted or required to be given by one Party to the other and all questions about the Contract from one Party to the other shall be addressed and delivered to the other Party's Project Administrator. The name, post office address, street address, telephone number, fax number, and email address of the Parties' respective initial Project Administrators are set out below. Either Party may change the name, post office address, street address, telephone number, fax number, or email address of its Project Administrator by giving timely written notice to the other Party.

For the Agency:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Name: Gary Gay Title: Director Agency: NCDA&CS Food Distribution Division Address: P O Box 659 City: Butner State: NC Zip: 27509-0659 **Required – Telephone: 919-575-4490** **Fax: 919-575-4143** **Email: Gary.Gay@ncagr.gov**	Name: Gary Gay Title: Director Agency: NCDA&CS Food Distribution Division Address: P O Box 659 City: Butner State: NC Zip: 27509-0659

For the Grantee:

IF DELIVERED BY US POSTAL SERVICE	IF DELIVERED BY ANY OTHER MEANS
Name : Title: Company Name: Post Office Address: City: State: Zip: **Required – Telephone:** **Fax:** **Email:**	Name: Title: Company Name: Street Address: City: State: Zip:

12. **Supplementation of Expenditure of Public Funds:**

The Grantee assures that funds received as described in Section I., Grantee's Duties, Attachment B, shall be used only to supplement, not to supplant, the total amount of federal, state and local public funds that the Grantee otherwise expends for expenses of the Commodity Distribution Program. If excess funds accumulate, such funds shall be used to purchase additional food or shall be paid to the Agency. Funds received under this Contract shall be used to provide additional public funding for the Commodity Distribution Program; the funds shall not be used to reduce the Grantee's total expenditure of other public funds for such services.

13. **Disbursements:**

Funds accruing from the sale of containers, salvage commodities, distribution charges, or recoveries from loss or damage claims shall be used only for the payment of expenses of the Commodity Distribution Program; including transportation, storage, and handling of commodities, and other administrative expenses. If excess funds accumulate, such funds shall be used to purchase additional food or shall be paid to the Agency.

As a condition of this Contract, the Grantee acknowledges and agrees to make disbursements in accordance with the following requirements:

a. Implement adequate internal controls over disbursements;
b. Pre-audit all vouchers presented for payment to determine:
    - Validity and accuracy of payment
    - Payment due date
    - Adequacy of documentation supporting payment
    - Legality of disbursement
c. Assure adequate control of signature stamps/plates;
d. Assure adequate control of negotiable instruments; and
e. Implement procedures to insure that account balance is solvent and reconcile the account monthly.

14. Outsourcing:

The Grantee certifies that it has identified to the Agency all jobs related to the Contract that have been outsourced to other countries, if any. The Grantee further agrees that it will not outsource any such jobs during the term of this Contract without providing notice to the Agency.

15. Executive Order 24:

"N.C.G.S. § 133-32 and Executive Order 24 prohibit the offer to, or acceptance by, any Department of Agriculture and Consumer Services employee of any gift from anyone with a contract with the Department, or from any person seeking to do business with the Department. By execution of any response in this procurement or grant, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been made, offered, or promised by any employee of your organization."

16. Signature Warranty:

The undersigned represent and warrant that they are authorized to bind their principals to the terms of this contract.

In Witness whereof, the Grantee and the Agency have executed this Contract in duplicate originals, with one original being retained by each party.

_____ _____
Name of Grantee Agency

_____
Signature of Authorized Representative Date

_____
Printed Name of Authorized Representative Title

_____
Signature of Second Authorized Representative Date

_____
Printed Name of Second Authorized Representative Title

ATTEST:

[Corporate Seal] or
[Notary Seal]

Sworn to and subscribed before on the day of the date of said certification.

_____ My Commission Expires: _____
(Notary Signature and Seal)

NORTH CAROLINA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
Food Distribution Division

_____
Signature of Authorized Representative Date

N. David Smith, Chief Deputy Commissioner
Printed Name of Authorized Representative Title

Attachment A
General Terms and Conditions

DEFINITIONS

Unless indicated otherwise from the context, the following terms shall have the following meanings in this Contract. All definitions are from 9 NCAC 3M.0102 unless otherwise noted. If the rule or statute that is the source of the definition is changed by the adopting authority, the change shall be incorporated herein:

(1) "Agency" (as used in the context of the definitions below) shall mean and include every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political subagency of government. For other purposes in this Contract, "Agency" shall mean the entity identified as one of the parties hereto.

(2) "Audit" means an examination of records or financial accounts to verify their accuracy.

(3) "Certification of Compliance" means a report provided by the Agency to the Office of the State Auditor that states that the Grantee has met the reporting requirements established by this Subchapter and included a statement of certification by the Agency and copies of the submitted grantee reporting package.

(4) "Compliance Supplement" refers to the North Carolina State Compliance Supplement, maintained by the State and Local Government Finance Agency within the North Carolina Department of State Treasurer that has been developed in cooperation with agencies to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements.

(5) "Contract" means a legal instrument that is used to reflect a relationship between the agency, grantee, and subgrantee.

(6) "Fiscal Year" means the annual operating year of the non-State entity.

(7) "Financial Assistance" means assistance that non-State entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Financial assistance does not include amounts received as reimbursement for services rendered to individuals for Medicare and Medicaid patient services.

(8) "Financial Statement" means a report providing financial statistics relative to a given part of an organization's operations or status.

(9) "Grant" means financial assistance provided by an agency, grantee, or subgrantee to carry out activities whereby the grantor anticipates no programmatic involvement with the grantee or subgrantee during the performance of the grant.

(10) "Grantee" has the meaning in G.S. 143C-6-23(a)(2): a non-State entity that receives a grant of State funds from a State agency, department, or institution but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission. For other purposes in this Contract, "Grantee" shall mean the entity identified as one of the parties hereto.

(11) "Grantor" means an entity that provides resources, generally financial, to another entity in order to achieve a specified goal or objective.

(12) "Non-State Entity" has the meaning in N.C.G.S. 143C-1-1(d)(18): Any of the following that is not a State agency: An individual, a firm, a partnership, an association, a county, a corporation, or any other organization acting as a unit. The term includes a unit of local government and public authority.

(13) "Public Authority" has the meaning in N.C.G.S. 143C-1-1(d)(22): A municipal corporation that is not a unit of local government or a local governmental authority, board, commission, council, or agency that (i) is not a municipal corporation and (ii) operates on an area, regional, or multiunit basis, and the budgeting and accounting systems of which are not fully a part of the budgeting and accounting systems of a unit of local government.

(14) "Single Audit" means an audit that includes an examination of an organization's financial statements, internal controls, and compliance with the requirements of Federal or State awards.

(15) "Special Appropriation" means a legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.

(16) "State Funds" means any funds appropriated by the North Carolina General Assembly or collected by the State of North Carolina. State funds include federal financial assistance received by the State and transferred or disbursed to non-State entities. Both Federal and State funds maintain their identity as they are subgranted to other organizations. Pursuant to N.C.G.S. 143C-6-23(a)(1), the terms "State grant funds" and "State grants" do not include any payment made by the Medicaid program, the Teachers' and State Employees' Comprehensive Major Medical Plan, or other similar medical programs.

(17) "Subgrantee" has the meaning in G.S. 143C-6-23(a)(3): a non-State entity that receives a grant of State funds from a grantee or from another subgrantee but does not include any non-State

entity subject to the audit and other reporting requirements of the Local Government Commission.

(18) "Unit of Local Government has the meaning in G.S. 143C-1-1(d)(29): A municipal corporation that has the power to levy taxes, including a consolidated city-county as defined by G.S. 160B-2(1), and all boards, agencies, commissions, authorities, and institutions thereof that are not municipal corporations.

Relationships of the Parties

Independent Contractor: The Grantee is and shall be deemed to be an independent contractor in the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Agency.

Subcontracting: The Grantee shall not subcontract any of the work contemplated under this Contract without prior written approval from the Agency. Any approved subcontract shall be subject to all conditions of this Contract. Only the subcontractors or subgrantees specified in the contract documents are to be considered approved upon award of the contract. The Agency shall not be obligated to pay for any work performed by any unapproved subcontractor or subgrantee. The Grantee shall be responsible for the performance of all of its subgrantees and shall not be relieved of any of the duties and responsibilities of this Contract.

Subgrantees: The Grantee has the responsibility to ensure that all subgrantees, if any, provide all information necessary to permit the Grantee to comply with the standards set forth in this Contract.

Assignment: No assignment of the Grantee's obligations or the Grantee's right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may:

(a) Forward the Grantee's payment check(s) directly to any person or entity designated by the Grantee, or

(b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check(s).

In no event shall such approval and action obligate the State to anyone other than the Grantee and the Grantee shall remain responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this Contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this Contract, and all rights of action relating to such enforcement, shall be strictly reserved to the Agency and the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Agency and Grantee that any such person or entity, other than the Agency or the Grantee, receiving services or benefits under this Contract shall be deemed an incidental beneficiary only.

Indemnity and Insurance

Indemnification: The Grantee agrees to indemnify and hold harmless the Agency, the State of North Carolina, and any of their officers, agents and employees, from any claims of third parties arising out of any act or omission of the Grantee in connection with the performance of this Contract.

Insurance: During the term of the contract, the Grantee at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the contract. As a minimum, the Grantee shall provide and maintain the following coverage and limits:

(a) **Worker's Compensation** - The grantee shall provide and maintain Worker's Compensation Insurance as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of $500,000.00, covering all of Grantee's employees who are engaged in any work under the contract. If any work is sublet, the Grantee shall require the subgrantee to provide the same coverage for any of his employees engaged in any work under the contract.

(b) **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of $1,000,000.00 Combined Single Limit. (Defense cost shall be in excess of the limit of liability.)

(c) **Automobile** - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles used in performance of the contract. The minimum combined single limit shall be $500,000.00 bodily injury and property damage; $500,000.00 uninsured/underinsured motorist; and $25,000.00 medical payment.

Providing and maintaining adequate insurance coverage is a material obligation of the Grantee and is of the essence of this Contract. The Grantee may meet its requirements of maintaining specified coverage and limits by demonstrating to the Agency that there is in force insurance with equivalent coverage and limits that will offer at least the same protection to the Agency. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Grantee shall at all times comply with the terms of such insurance policies,

and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this Contract. The limits of coverage under each insurance policy maintained by the Grantee shall not be interpreted as limiting the grantee's liability and obligations under the contract.

Default and Termination

Termination by Mutual Consent: The Parties may terminate this Contract by mutual consent with 60 days notice to the other party, or as otherwise provided by law.

Termination for Cause: If, through any cause, the Grantee shall fail to fulfill its obligations under this Contract in a timely and proper manner, the Agency shall have the right to terminate this Contract by giving written notice to the Grantee and specifying the effective date thereof. In that event, all finished or unfinished deliverable items prepared by the Grantee under this Contract shall, at the option of the Agency, become its property and the Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials, minus any payment or compensation previously made. Notwithstanding the foregoing provision, the Grantee shall not be relieved of liability to the Agency for damages sustained by the Agency by virtue of the Grantee's breach of this agreement, and the Agency may withhold any payment due the Grantee for the purpose of setoff until such time as the exact amount of damages due the Agency from such breach can be determined. The filing of a petition for bankruptcy by the Grantee shall be an act of default under this Contract.

Waiver of Default: Waiver by the Agency of any default or breach in compliance with the terms of this Contract by the Grantee shall not be deemed a waiver of any subsequent default or breach and shall not be construed to be modification of the terms of this Contract unless stated to be such in writing, signed by an authorized representative of the Agency and the Grantee and attached to the contract.

Availability of Funds: The parties to this Contract agree and understand that the payment of the sums specified in this Contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Agency.

Force Majeure: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statutes of limitation.

Intellectual Property Rights

Copyrights and Ownership of Deliverables: All deliverable items produced pursuant to this Contract are the exclusive property of the Agency. The Grantee shall not assert a claim of copyright or other property interest in such deliverables.

Federal Intellectual Property Bankruptcy Protection Act: The Parties agree that the Agency shall be entitled to all rights and benefits of the Federal Intellectual Property Bankruptcy Protection Act, Public Law 100-506, codified at 11 U.S.C. 365 (n) and any amendments thereto.

Compliance with Applicable Laws

Compliance with Laws: The Grantee shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Equal Employment Opportunity: The Grantee shall comply with all federal and State laws relating to equal employment opportunity.

Executive Order 24: "In accordance with Executive Order 24, issued by Governor Perdue, and N.C.G.S.§ 133-32, a vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, vendor, or grantee), is prohibited from making gifts or giving favors to any employee of the Department of Agriculture and Consumer Services. This prohibition covers those vendors, contractors, and/or grantees who:
(1) have a contract with a governmental agency; or
(2) have performed under such a contract within the past year; or
(3) anticipate bidding on such a contract in the future.
For additional information regarding the specific requirements and exemptions, vendors, contractors, and/or grantees are encouraged to review Executive Order 24 and N.C.G.S. § 133-32."

Confidentiality

Confidentiality: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Grantee under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Agency. The Grantee acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this Contract.

Oversight

Access to Persons and Records: The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with N.C.G.S. 147-64.7. Additionally, as the State funding authority, the Agency shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions.

Record Retention: Records shall not be destroyed, purged or disposed of without the express written consent of the Agency. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later.

Miscellaneous

Choice of Law: The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, are governed by the laws of North Carolina. The Grantee, by signing this Contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this Contract and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This Contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Agency and the Grantee.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this Contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Time of the Essence: Time is of the essence in the performance of this Contract.

Certification Regarding Collection of Taxes: N.C.G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors that meet one of the conditions of N.C.G.S. 105-164.8(b) and yet refuse to collect use taxes on sales of tangible personal property to purchasers in North Carolina. The conditions include: (a) maintenance of a retail establishment or office; (b) presence of representatives in the State that solicit sales or transact business on behalf of the vendor; and (c) systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. The Grantee certifies that it and all of its affiliates (if any) collect all required taxes.

Care of Property: The Grantee agrees that it shall be responsible for the proper custody and care of any property furnished to it for use in connection with the performance of this Contract and will reimburse the Agency for loss of, or damage to, such property. At the termination of this Contract, the Grantee shall contact the Agency for instructions as to the disposition of such property and shall comply with these instructions.

Travel Expenses: Reimbursement to the Grantee for travel mileage, meals, lodging and other travel expenses incurred in the performance of this Contract shall be reasonable and supported by documentation. State rates should be used as guidelines. International travel shall not be reimbursed under this Contract.

Sales/Use Tax Refunds: If eligible, the Grantee and all subgrantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this Contract, pursuant to N.C.G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Grantee shall not use the award of this Contract as a part of any news release or commercial advertising.

Indirect Cost Policy: The Agency has adopted a “Zero” policy that indirect costs are unallowable expenditures in all grant applications and/or grant guidance, informational or directional documents.

Attachment B
Grantee's Duties

The Grantee shall comply with all provisions of the Contract, regulations, any amendments thereto, and any instructions, policies, and/or procedures issued in connection therewith. Specifically, the Grantee shall agree to conform to the services and/or requirements listed below. The Grantee being the authority having supervision and control over the operation of their subrecipient agencies, will supervise the storage, handling, and use of all USDA donated commodities received in such a manner as will insure compliance with the terms and conditions described below. The Grantee shall agree to conform to the services and/or requirements as described in the Code of Federal Regulations (CFR), specifically 7 CFR 250 and 7 CFR 251.

A. Accept only the amounts of commodities that can be utilized without waste.

B. Standards for storage facilities. Grantee shall provide facilities for the handling, storage, and distribution of donated foods in accordance with 7 CFR 250.14(b) and as follows:

- are sanitary and free from rodent, bird, insect and other animal infestation;
- safe guard against theft, spoilage, and other loss;
- maintain foods at proper temperatures;
- excepting recipient agencies, stock and space foods in a manner so that USDA-donated commodities are readily identified; §250.14(d)(2)
- store donated foods off the floor in a manner to allow for adequate ventilation;
- take other protective measures as may be necessary
- insure that storage facilities have obtained all required Federal, State, and/or local health inspections and/or approvals and those such inspections are current.

C. Records shall not be destroyed, purged or disposed of without the express written consent of the Agency. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the Contract is subject to Federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has been started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later. Maintain accurate and complete records to document the receipt, disposal, and inventory of commodities, as required by the Agency. §250.16(b) & 251.10(a)(4)

D. Permit representatives of the Agency and/or of the United States Department of Agriculture (USDA) to inspect donated foods in storage, or the facilities used in the handling or storage of such donated foods, and to review or audit all records, including financial records, at any reasonable time. §250.18(a)

E. The Grantee shall submit all the Agency required reports in a timely manner, failure to do so may be a basis for cancellation of this Contract.

F. If the Grantee improperly distributes or uses any commodities or causes loss of or damage to commodities through its failure to provide proper storage, care, or handling, it shall pay the Agency, Food Distribution Division, a sum equal to the value of the commodities. At its option, the Agency may permit the Grantee to replace the commodities. Upon the happening of any event creating a claim in favor of the Grantee against a warehouseman, carrier, or other person, for the loss of or damage to commodities, the Grantee shall take all action necessary to obtain restitution. 7CFR 250.12(b)(2) & 7 CFR 250.12(b)(4)

G. Contracts. When contracting for storage facilities, the Grantee shall enter into written contracts to be effective for no longer than five years, including option years extending a contract. Before the exercise of option years, the storage facility shall update all pertinent information and demonstrate that all donated foods received during the previous contract period have been accounted for. The contract shall, at a minimum, contain the items below:

- Assurance that the storage facilities will be maintained in accordance with the standards specified in paragraph (b) of this section. §250.14(d)(1)
- Evidence that donated food shall be clearly identified. §250.14(d)(2)
- Assurance that an inventory system shall be maintained and an annual inventory will be conducted; and reconciled with the inventory records. §250.14(d)(3)
- Beginning and ending dates of the contract. §250.14(d)(4)
- A provision for immediate termination of the contract due to noncompliance on the part of the warehouse management. §250.14(d)(5)
- A provision allowing for termination of the contract for cause by either party upon 30 days written notification. §250.14(d)(6)
- The amount of any insurance coverage, which has been purchased to protect the value of food items which are being stored. §250.14(d)(7)
- Express written consent for inspection and inventory by the distributing agency, sub distributing agency, recipient agency, the Comptroller General, the Department or any of their duly authorized representatives. §250.14(d)(8)

H. Disposition of Damaged or Out of Condition Commodities: If commodities are found to be damaged or out of condition, or unusable for other reasons, the Grantee shall submit a complete report to the Agency covering the conditions relative to such commodities and shall dispose of such commodities in accordance with instructions received from the Agency. §250.13(f)

I. Use of Funds Accruing in Operation of the Program: Funds accruing from the sale of containers, salvage commodities, distribution charges, or recoveries from loss or damage claims shall be used only for the payment of expenses of the Commodity Distribution Program; including transportation, storage, and handling of commodities, and other administrative expenses. If excess funds accumulate, such funds shall be used to purchase additional food or shall be paid to the Agency. A separate account will be maintained showing all receipts and disbursements from such funds and a complete accounting will be made to the Agency annually.

J. Receipt of Commodities: The Grantee shall be responsible for adequate personnel to off-load commodity deliveries from Agency trucks. The Grantee will also be responsible for the return of Agency pallets to their respective warehouses.

K. Employment of Food Services Management companies: The Grantee agrees not to employ the services of a Food Service Management company unless the contract with such a company is approved by the Agency. The contract shall expressly provide that any donated foods received by the Agency and made available to the Food Service Management company shall be utilized solely for the purpose of providing benefits for the employing agency's food service operation, and it shall be the responsibility of the Grantee to demonstrate that the full value of all donated foods is used solely for the benefit of the Grantee. All Food Service Management companies shall be subject to review by the Agency for compliance with contractual requirements, in accordance with §250.19(b) (1).

L. Use of Commodities: Commodities will be used solely for the benefit of those persons served by the Grantee and will under no circumstances be sold, exchanged, traded, used for payment of services, or otherwise disposed of without the written approval of the Agency.

Attachment C
Notice of Certain Reporting and Audit Requirements

Grantee shall comply with the all rules and reporting requirements established by statute or administrative rules. For convenience, the requirements of 9 N.C.A.C. Subchapter 3M.0205 are set forth in this Attachment.

I. Reporting Thresholds

There are three reporting thresholds established for Grantees and subgrantees receiving State funds. The reporting thresholds are outlined below. **The Grantee shall indicate by marking the appropriate box ☐ below the amount of State and Federal funding it anticipates receiving in its current fiscal year.** The Grantee shall have 30 days to notify the Agency, in writing to the Project Administrator, of any change that moves the Grantee's threshold from one level to the next.

☐ Level 1: Less than $25,000 – A Grantee that receives, uses, or expends State funds in an amount less than twenty-five thousand dollars ($25,000) within its fiscal year must comply with the reporting requirements established by 9 N.C.A.C. Subchapter 3M including:

(A) A certification completed by the Grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted; and
(B) An accounting of the State funds received, used, or expended.

All reporting requirements shall be filed electronically with the Office of State Budget & Management (OSBM) within six months after the end of the Grantee's fiscal year in which the State funds were received.

☐ Level 2: $25,000 up to $500,000 - A Grantee that receives, uses, or expends State funds in an amount of at least twenty-five thousand ($25,000) and up to five hundred thousand dollars ($500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:

(A) A certification completed by the Grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted;
(B) An accounting of the State funds received, used, or expended; and
(C) A description of activities and accomplishments undertaken by the Grantee with the State funds.

All reporting requirements shall be filed electronically with the Office of State Budget & Management (OSBM) within six months after the end of the Grantee's fiscal year in which the State funds were received.

☐ Level 3: Greater than $500,000 – A Grantee that receives, uses, or expends Federal and/or State funds and in the amount greater than five hundred thousand dollars ($500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:

(A) A certification completed by the Grantee Board and management stating that the State funds were received, used, or expended for the purposes for which they were granted;
(B) An audit prepared and completed by a licensed Certified Public Accountant for the Grantee consistent with the reporting requirement of this Subchapter; and
(C) A description of activities and accomplishments undertaken by the Grantee with the State funds.

All reporting requirements shall be filed electronically with the Office of State Budget & Management (OSBM) within nine months after the end of the Grantee's fiscal year in which the State funds were received.

_____
Grantee Organization Name

_____
Signature of Authorized Representative Title

_____
Printed Name of Authorized Representative Date

State Contract Number: _____

II. Other Provisions

1. Unless prohibited by law, the costs of audits made in accordance with the provisions of 9 N.C.A.C. 3M.0205 are allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Office of Budget and Management (OMB) Circular A-87. The cost of any audit not conducted in accordance with this Subchapter is unallowable and shall not be charged to State or Federal grants.

2. The audit requirements in 9 N.C.A.C. Subchapter 3M do not replace a request for submission of audit reports by grantor agencies in connection with requests for direct appropriation of state aid by the General Assembly.

3. Notwithstanding the provisions of 9 N.C.A.C. Subchapter 3M, a Grantee may satisfy the reporting requirements of Part (a)(3)(B) of this Rule by submitting a copy of the report required under the federal law with respect to the same funds.

4. All Grantees and subgrantees shall use the forms of the Office of State Budget and Management and of the Office of State Auditor in making reports to the awarding agencies and the Office of State Auditor.

5. Right of Inspection and Audit: Representatives of USDA or the Agency may inspect commodities in storage or the facilities used in the handling or storage of such commodities and may inspect and audit all records including financial records and reports pertaining to the distribution of commodities and may review or audit the procedures and methods used in carrying out the requirements of this part at any reasonable time and place.

6. All parties to this Contract shall adhere to the audit requirements as set forth in the Office of Management and Budget Circular A-133 for State, Local and Tribal Governments; as well as the requirements covered in Circular A-110. The Grantee shall submit one copy of the final audit report to the Agency with 30 days after receipt from the auditors.

7. Nondiscrimination: The Grantee hereby agrees that it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973 (P.L.93-112), Age Discrimination Act of 1975 (P.L. 94-135) and all requirements imposed by the regulations of the Department of Agriculture (7 CFR Part 15), Department of Justice (28 CFR Parts 42 and 50) and FNS directives or regulations issued pursuant to that Act and the regulations, to the effect that, no person in the United States shall, on the ground of race, color, national origin, age, sex, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under any program or activity, for which the program applicant received Federal financial assistance from the department; and hereby gives assurance that it will immediately take any measures necessary to effectuate this contract.

   This assurance is given in consideration of and for the purpose of obtaining any and all Federal financial assistance, grants and loans of Federal funds, reimbursable expenditures, grant or donation of Federal property and interest in property, the detail of Federal personnel, the sale and lease of, and the permission to use, Federal property or interest in such property or the furnishing of services without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale, lease, or furnishing of services to the recipient, or any improvements made with Federal financial assistance extended to the program applicant by the department. This includes any Federal contract, arrangement, or other contract which has as one of its purposes the provision of assistance such as food, and cash assistance for purchase or rental of food service equipment or any other financial assistance extended in reliance on the representations and contracts made in this assurance.

By accepting this assurance, the Grantee agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of Title VI and permit authorized USDA personnel during normal working hours to review such records, books and accounts as needed to ascertain compliance with Title VI. If there are any violations of this assurance, the Department of Agriculture, Food and Nutrition Service, shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the distributing agency or, where applicable, Grantee, its successors, transferees, and assignees as long as it receives assistance or retains possession of any assistance from the department. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the program applicant.

8. Termination or Cancellation: Either agency may terminate this contract by giving thirty (30) days notice in writing to the other party. If the Grantee fails to comply with the following provisions of this contract or to return any reports or inventories or procedures issued in connection with or any contract entered on pursuant thereto, the NCDA&CS-FDD may at its discretion, disqualify the Grantee from further participation in any Distribution Program. The NCDA&CS-FDD may cancel this contract immediately upon receipt of evidence that the terms and conditions hereof have not been fully complied with by the Grantee, except that any termination of this contract for noncompliance with Title VI of the Civil Rights Act of 1964 shall be in accordance with applicable laws and regulations. Subject to such notice of termination or cancellation of the contract, the Grantee agrees to comply with the instructions of the NCDA&CS-FDD, either (a) to make distribution of remaining inventories of USDA commodities in accordance with provision of this contract, or (b) to return such inventories to the NCDA&CS-FDD and to transmit such records and reports as are required by the NCDA&CS-FDD to record final disposition of such inventories.

Attachment D
State Grant Certification – No Overdue Tax Debts

Entity's Letterhead

[Date of Certification (mmddyyyy)]

To: State Agency Head and Chief Fiscal Officer

Certification:

We certify that the *[insert organization's name]* does not have any overdue tax debts, as defined by N.C.G.S. 105-243.1, at the federal, State, or local level. We further understand that any person who makes a false statement in violation of N.C.G.S. 143-6.2(b2) is guilty of a criminal offense punishable as provided by N.C.G.S. 143-34(b).

Sworn Statement:

[Name of Board Chair] and [Name of Second Authorizing Official] being duly sworn, say that we are the Board Chair and [Title of the Second Authorizing Official], respectively, of [insert name of organization] of [City] in the State of [Name of State]; and that the foregoing certification is true, accurate and complete to the best of our knowledge and was made and subscribed by us. We also acknowledge and understand that any misuse of State funds will be reported to the appropriate authorities for further action.

_____
Board Chair

_____
[Title of Second Authorizing Official]

Sworn to and subscribed before on the day of the date of said certification.

_____ My Commission Expires: _____
(Notary Signature and Seal)

State Contract Number _____

G.S. 105-243.1 defines: "Overdue tax debt. – Any part of a tax debt that remains unpaid 90 days or more after the notice of final assessment was mailed to the taxpayer. The term does not include a tax debt, however, if the taxpayer entered into an installment agreement for the tax debt under G.S. 105-237 within 90 days after the notice of final assessment was mailed and has not failed to make any payments due under the installment agreement."

If there are any questions, please contact the North Carolina Department of Agriculture and Consumer Services:
Sandi Cummings @ (919) 733-2113 ext 239 or
Allison Medlin @ (919) 575-4490

Attachment E
Certification Regarding Lobbying

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying,'' in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipient shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying,'' in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

_____
(Grant Recipient Organization)

_____
(Signature of Authorized Representative) (Date)

_____
(Printed Name of Authorized Representative) (Title)

Current Federal Grant Number: _____

Current Fiscal Year: _____

Current State Contract Number: _____

SUPPLEMENTAL INFORMATION REQUIRED FOR NC OPENBOOK – Attachment F

INSTRUCTIONS: Complete the information below and return it to the Contract Administrator identified in your original contract. This information must be submitted as part of your contract. If you have questions, please contact the Contract Administrator or the Alternate Contact as reflected in your contract.

PURPOSE: In January 2009, Executive Order 4 was signed by the Governor of North Carolina. This Executive Order requires certain information be collected from Grantees to enhance accountability and transparency of State funds. Therefore, the information outlined below shall be submitted prior to the disbursement of any State funds by the North Carolina Department of Agriculture and Consumer Services.

DUNS Number: _____
Contract Number: _____ Amendment Number: _____
Grantee Name: _____
TAX ID Number: _____
Fiscal Year Ends: _____

1. Brief Description and Background/History of your Organization.

Be sure to include the number of years in existence, number of employees, mission and goals of your organization.

2. Current project timeline. Begin _____ End _____

3. Expected outcomes and specific deliverables.

EXPECTED OUTCOMES AND SPECIFIC DELIVERABLES
(Examples: Feed delivered in a timely manner to aquaculture producers.)

4. The Grantee's WEB URL: _____

5.* Primary County of Performance. County Name: _____
(CONGRESSIONAL DISTRICT # MUST BE IDENTIFIED) Congressional District #: _____

6. **County of Benefit: Single County: ☐ Yes ☐ No County Name: _____
Statewide: ☐ Yes ☐ No
Regional: ☐ Yes ☐ No

7. If the answer to question number 7 is "Regional", list the counties receiving benefit.

___ _____
___ _____
___ _____
___ _____
___ _____

Primary County of Performance: County in which grantee is located.

****County of Benefit: Identified county or counties in which funding was spent and/or food commodities were received.***

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989 Federal Register (pages 4722-4733).

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON THE NEXT PAGE)

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

- (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (b) have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
- (d) have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

NAME OF APPLICANT **ORGANIZATION**	
PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE	
SIGNATURE	DATE

***PLEASE SIGN IN BLUE INK ***

Instructions: Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions

1. By signing and submitting this form, the prospective primary participant is providing the certification in accordance with these instructions.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out on this form. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal or application is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal or application is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.
7. The prospective primary participant further agrees by submitting this form that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

FORM NCD-3
(INSTITUTIONS/SKP)
Revised 1/19/06

EXHIBIT 4

NORTH CAROLINA DEPARTMENT OF AGRICULTURE
AND CONSUMER SERVICES
FOOD DISTRIBUTION DIVISION
PO Box 659
Butner, NC 27509-0659

AGREEMENT COVERING USDA DONATED COMMODITIES
PERMANENT

The _____(hereinafter referred to as the Recipient Agency) in consideration of approval by the North Carolina Department of Agriculture and Consumer Services-Food Distribution Division (hereinafter referred to as NCDA&CS-FDD) of its application for commodities donated by the United States Department of Agriculture (hereinafter referred to as USDA) covenants and agrees to the terms and conditions herein set forth.

The Recipient Agency being the authority having supervision and control over the operation of this recipient group will supervise the storage, handling, and use of all USDA donated commodities received in such a manner as will insure compliance with the following terms and conditions of this agreement:

TERMS AND CONDITIONS

1. Quantities Requested: Commodities will be requested and accepted only in such quantities as can be properly stored and fully utilized.

2. Allocations: The NCDA&CS-FDD will notify the Recipient Agency of the availability of any commodities and will specify any special terms and conditions of donation that are attached to a particular commodity in addition to the general terms and conditions set forth herein. The Recipient Agency agrees to abide by such additional terms and conditions as are specified. Commodities will be delivered in accordance with the requested schedules wherever possible. However, the NCDA&CS-FDD shall not be held responsible for delays or nondelivery of any commodity regardless of cause.

3. Use of Commodities: Commodities will be used solely for the benefit of those persons served or assisted by the Recipient Agency and will under no circumstances be sold, exchanged, traded, used for the payment of services, or otherwise disposed of without prior written approval of the NCDA&CS-FDD.

4. Redonation: When a Recipient Agency has commodities on hand which it cannot effectively utilize within the specified period of use, it shall immediately notify the NCDA&CS-FDD, which will issue instructions for disposition of commodities. The Recipient Agency agrees to release any or all commodities to NCDA&CS-FDD in case of a state of emergency of any kind declared by the Governor of North Carolina, or Federal Authorities.

5. Improper Distribution or Loss of or Damage to Commodities: If a Recipient Agency improperly distributes or uses any commodities or causes loss of or damage to a commodity through its failure to provide proper storage, care, or handling, it shall pay to the NCDA&CS-FDD a sum equal to the value of any commodities lost. At its option, the NCDA&CS-FDD may permit the Recipient Agency to replace the commodities. Upon the happening of any event creating a claim in favor of the Recipient Agency against a warehouseman, carrier, or other person, for the loss of or damage to a commodity, the Recipient Agency shall take all action necessary to obtain restitution. All amounts collected by such action shall be used in accordance with Paragraph 9 of this agreement.

6. Disposition of Damaged or Out of Condition Commodities: If commodities are found to be damaged or out of condition, or unusable for other reasons, the Recipient Agency shall submit a complete report to the NCDA&CS-FDD covering the conditions relative to such commodities and shall dispose of such commodities in accordance with instructions received from the NCDA&CS-FDD.

7. Normal Food Expenditures: The Recipient Agency agrees that normal food expenditures will not be reduced because of the receipt of commodities and assures that its food budget was made without consideration of the value of donated commodities.

8. Use of Funds Accruing in Operation of the Program: Funds accruing from the sale of containers, salvage commodities, distribution charges, or recoveries from loss or damage claims shall be used only for the payment of expenses of the Commodity Distribution Program including transportation, storage, and handling of commodities, and other administrative expenses. If excess funds accumulate, such funds shall be used to purchase additional food or shall be paid to the NCDA&CS-FDD. A separate account will be maintained showing all receipts and disbursements from such funds and a complete accounting will be made to NCDA&CS-FDD annually.

9. Personnel and Facilities: The Recipient Agency shall provide adequate personnel including supervisory personnel to review program operations in schools and to distribute the commodities in accordance with terms and conditions of this agreement. Facilities shall be provided by the Recipient Agency for properly handling, storing, and distribution commodities so as to safeguard against the theft, spoilage, and other loss.

10. Receipt of Commodities: The Recipient Agency shall be responsible for adequate personnel to off-load commodity deliveries from NCDA&CS-FDD trucks. The local agency will also be responsible for the return of NCDA&CS-FDD pallets to their respective warehouses.

11. Commercial Distributors: If the Recipient Agency employs a commercial distributor to store and/or distribute its USDA commodities, there must be a written contract between the two parties. The NCDA&CS-FDD will furnish instructions and minimum contract requirements upon request of the Recipient Agency.

12. Employment of Food Service Management Companies: The Recipient Agency agrees not to employ the services of a Food Service Management Company unless the contract with such a company is approved by the NCDA&CS-FDD. The NCDA&CS-FDD will furnish instructions and minimum contract requirements upon request of the Recipient Agency.

13. Records and Reports: Accurate records will be maintained for a period of not less than three (3) years following the close of the fiscal year to which they pertain. These records shall contain information pertaining to all transactions relating to the receipt, disposal, and use of commodities and with respect to receipts and disbursements of funds arising from the operation of the Distribution program. The Recipient Agency shall submit such receipts, inventory reports, and other reports covering distribution operations at such time and in such form as may be required by the NCDA&CS-FDD.

14. Right of Inspection and Audit: Representatives of USDA or the NCDA&CS-FDD may inspect commodities in storage or the facilities used in the handling or storage of such commodities and may inspect and audit all records including financial records and reports pertaining to the distribution of commodities and may review or audit the procedures and methods used in carrying out the requirements of this part at any reasonable time and place.

All parties to this agreement shall adhere to the attachment and audit requirements as set forth in the Office of Management and Budget Circular A-133 for State, Local, and Tribal Governments. State and Local Institutions of higher education or hospitals shall adhere to requirements as covered in Circular A-110. Further requirements impose upon NCDA&CS-FDD to request and receive a copy of the audit. This copy is due in the NCDA&CS-FDD office no later than thirty days after receipt from the auditors. The Recipient Agency specifically agrees to comply with the audit requirements set forth in Circular A-133 or Circular A-110.

15. Nondiscrimination: The Recipient Agency hereby agrees that it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973 (P.L.93-112), Age Discrimination Act of 1975 (P.L. 94-135) and all requirements imposed by the regulations of the Department of Agriculture (7 CFR Part 15), Department of Justice (28 CFR Parts 42 and 50) and FNS directives or regulations issued pursuant to that Act and the regulations, to the effect that, no person in the United States shall, on the ground of race, color, national origin, age, sex, or disability, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under any program or activity, for which the program applicant received Federal financial assistance from the department; and hereby gives assurance that it will immediately take any measures necessary to effectuate this agreement.

This assurance is given in consideration of and for the purpose of obtaining any and all Federal financial assistance, grants and loans of Federal funds, reimbursable expenditures, grant or donation of Federal property and interest in property, the detail of Federal personnel, the sale and lease of, and the permission to use, Federal property or interest in such property or the furnishing of services without consideration or at a nominal consideration, or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale, lease, or furnishing of services to the recipient, or any improvements made with Federal financial assistance extended to the program applicant by the department. This includes any Federal agreement, arrangement, or other contract which has as one of its purposes the provision of assistance such as food, and cash assistance for purchase or rental of food service equipment or any other financial assistance extended in reliance on the representations and agreements made in this assurance.

By accepting this assurance, the Recipient Agency agrees to compile data, maintain records and submit reports as required, to permit effective enforcement of Title VI and permit authorized USDA personnel during normal working hours to review such records, books and accounts as needed to ascertain compliance with Title VI. If there are any violations of this assurance, the Department of Agriculture, Food and Nutrition Service, shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the distributing agency or, where applicable, Recipient Agency, its successors, transferees, and assignees as long as it receives assistance or retains possession of any assistance from the department. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the program applicant.

16. Termination or Cancellation: Either agency may terminate this agreement by giving thirty (30) days notice in writing to the other party. If the Recipient Agency fails to comply with the following provisions of this agreement or to return any reports or inventories or procedures issued in connection with or any agreement entered on pursuant hereto, the NCDA&CS-FDD may at its discretion, disqualify the Recipient Agency from further participation in any Distribution Program. The NCDA&CS-FDD may cancel this agreement immediately upon receipt of evidence that the terms and conditions hereof have not been fully complied with by the Recipient Agency, except that any termination of this agreement for noncompliance with Title VI of the Civil Rights Act of 1964 shall be in accordance with applicable laws and regulations. Subject to such notice of termination or cancellation of the agreement, the Recipient Agency agrees to comply with the instructions of the NCDA&CS-FDD, either (a) to make distribution of remaining inventories of USDA commodities in accordance with provision of this agreement, or (b) to return such inventories to the NCDA&CS-FDD and to transmit such records and reports as are required by the NCDA&CS-FDD to record final disposition of such inventories

The aforementioned terms and conditions agreed to for this agency.

_____
(Name of Recipient Agency)

_____ _____
(Signature of Authorized Representative) (Date)

_____ _____
(Type or Print Here the Above Signature) (Title)

_____
(Code No.)

_____
(PO Box or Street No.)

_____ __ _____ _____ (____)_____
(City) (Zip) (County) (Telephone)

_____
(Extension Number)

(____) _____
(Fax)

_____
(E-mail Address)

==========

FOR STATE USE ONLY

Approved and certified for the period beginning _____ And continuing until terminated.
(Date)

NORTH CAROLINA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES
FOOD DISTRIBUTION DIVISION
Butner, North Carolina

_____ _____
(Signature of Director, Food Distribution Division) (Date)

EXHIBIT 5

Steven W. Troxler
Commissioner

North Carolina Department of Agriculture and Consumer Services

Food Distribution Division

Gary W. Gay
Director

MEMORANDUM

TO: ADMINISTRATORS OF SOUP KITCHENS

FROM: GARY W. GAY

DATE: August 20, 2010

SUBJECT: QUARTERLY REQUEST FOR COMMODITIES (PAL)

Attached is your quarterly request for commodities (PAL) for the October, November and December 2010 quarter. It is vital you complete this PAL and return it to this office by September 20, 2010. If we do not receive your PAL back, your agency will not receive any USDA commodities for this quarter. Please return the PAL by mail, fax or email. Remember to enter your agency code and name on the attached PAL.

If you have any questions or concerns contact Susan Wilder or me at 1-888-498-3449.

Your support and cooperation is greatly appreciated.

GWG/sw

Post Office Box 659, Butner, North Carolina 27509-0659 ●
(919) 575-4490 ● Fax (919) 575-4143
Food Recovery Hotline: 1-888-498-3449
TTY: 1-800-735-2962 Voice: 1-877-735-8200
An Equal Opportunity Employer

QUARTERLY SKP PAL

RA CODE 0-_____-SKP (FOUND ON INVOICE)

AGENCY NAME _____

Please enter the number of cases your agency can use for the quarter.

Code	Commodity	Pack Size	JUL - SEP 2010
A236	SPAGHETTI SAUCE	24/#300	
A273	CRANAPPLE JUICE	8/64OZ	
A275B	CHERRY APPLE JUICE	8/64OZ	
A282B	APPLE JUICE	12/46OZ	
A353B	APRICOTS	24/#300	
A917B	GREAT NORTHERN BEANS	12/2#	
B385B	MILK, UHT	12/32OZ	

Return by JUNE 25, 2010

EXHIBIT 6

NORTH CAROLINA DEPARTMENT OF AGRICULTURE and CONSUMER SERVICES
FOOD DISTRIBUTION DIVISION
P O BOX 659
BUTNER, NC 27509
PHONE: (919) 575-4490
FAX: (919) 575-4798

AGENCY:_____

ATTN:_____

Pages: Cover + _____ pages

Attached with this fax is a copy of your delivery invoice for food at the designated site. Please make arrangements to meet our truck at this site, at the designated date and time. If you wish to reduce or refuse any food, please phone or fax our office at least 48 hours in advance of the schedule date.

EXHIBIT 7

North Carolina Department of Agriculture
BUTNER WAREHOUSE (919) 575-4490

August 27, 2008

RA Code: 0-078-08-000-SKP

Zone: 8

Invoice Number: B-57611 (reprint)
Delivery Date: 08/29/2008
Delivery Time: 08:00 AM

Recipient Agency

ADMINISTRATOR
SOUTHEASTERN FAMILY VIOLENCE
P O BOX 642
LUMBERTON, NC 28359
(910) 739-8622

Food will be shipped to

CHILD NUTRITION DIRECTOR
ROBESON COUNTY SCHOOLS
HWY 72 WEST
LUMBERTON, NC 28358
(910) 738-4841

The following allocation of food is made to your agency. Carefully check the shipment to insure that the commodities indicated are all received in good condition. Any shortage or damage must be indicated on all copies of the allocation and acknowledged by the NCDA representative.

Units	Item Code	Commodity	Storage Code	Unit-Size	Unit Value	Total Value
1	A059	BEANS GREEN 300	1	24/#300 CAN	11.05	11.05
1	A223B	SWEET POTATOES	1	24/#300 CAN	12.82	12.82
1	A241B	TOMATOES DICED CN	1	6/#10 CAN	16.32	16.32
1	A276B	Cherry Apple J	1	12/46 oz can	15.00	15.00
1	A411	PEACHES CLING 300	1	24/#300 CAN	18.78	18.78
1	A722	CND PORK 24 OZ	1	24/24 OZ CAN	82.03	82.03

Entitlement Value: $111.86 **+ Bonus Value:** $44.14 **= Total Value:** $156.00

Total Weight: 213 LBS

_____ Pallets Delivered

_____ Pallets Received in exchange

The shipment of food listed above has been requested and received in full and in good condition, except as may be noted under remarks.

Date: _____ **Authorized Agent:** _____
(signature required)

Remarks (Damages, Shortages, etc.)

Storage Codes: 1 = Dry Goods 2 = Refrigerated 3 = 0 degree F or below

North Carolina Department of Agriculture
BUTNER WAREHOUSE (919) 575-4490

August 27, 2008

RA Code: 0-078-08-000-SKP

Zone: 8

Invoice Number: B-57611 (reprint)
Delivery Date: 08/29/2008
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Recipient Agency

ADMINISTRATOR
SOUTHEASTERN FAMILY VIOLENCE
P O BOX 642
LUMBERTON, NC 28359
(910) 739-8622

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CHILD NUTRITION DIRECTOR
ROBESON COUNTY SCHOOLS
HWY 72 WEST
LUMBERTON, NC 28358
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The shipment of food listed above has been requested and received in full and in good condition, except as may be noted under remarks.

Date: _____ **Authorized Agent:** _____
(signature required)

Remarks (Damages, Shortages, etc.)

Storage Codes: 1 = Dry Goods 2 = Refrigerated 3 = 0 degree F or below

NCD-90 EXHIBIT
9/10

8

Food Storage
Temperature Chart

Agency _____

Dry Storage Area - Recommended Temperature	50ºF - 70ºF
Cooler Storage Area - Recommended Temperature	35ºF - 45ºF
Freezer Storage Area - Recommended Temperature	-10ºF - 0ºF

Circle One

Refrigerator, Freezer, or Dry Storage

Month / Day / Year	Temperature	Checked By
/ 1 /		
/ 2 /		
/ 3 /		
/ 4 /		
/ 5 /		
/ 6 /		
/ 7 /		
/ 8 /		
/ 9 /		
/ 10 /		
/ 11 /		
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/ 26 /		
/ 27 /		
/ 28 /		
/ 29 /		
/ 30 /		
/ 31 /		

Circle One

Refrigerator, Freezer, or Dry Storage

Month / Day / Year	Temperature	Checked By
/ 1 /		
/ 2 /		
/ 3 /		
/ 4 /		
/ 5 /		
/ 6 /		
/ 7 /		
/ 8 /		
/ 9 /		
/ 10 /		
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/ 30 /		
/ 31 /		

If temperatures are not within recommended range, take immediate corrective action to avoid food loss.

EXHIBIT 9

NCD-61
6/98

NORTH CAROLINA DEPARTMENT OF AGRICULTURE
AND CONSUMER SERVICES
FOOD DISTRIBUTION DIVISION
PO Box 659
Butner, NC 27509-0659
Phone (919) 575-4490 Fax (919) 575-4143

State Claim No. _____

DONATED FOOD LOSS REPORT
(Please complete and return this form immediately.)

I. General

Date of report _____ Date of loss _____

Recipient Agency Name _____ Telephone # _____

Location _____

Own premises _____ Central warehouse _____ Commercial warehouse _____

Food	Indicate Bonus or Non-Bonus	Pack Date	Date Received	Quantity Lost	Unit Value	Total Value

Grand Total _____

II. Infestation/Spoilage/Contamination

Insects _____ Rodents _____ Other _____

Food examined when received Yes _____ No _____ If not, why? _____

Extermination

Frequency of treatment _____

Date of last treatment _____

Storage Conditions	Yes	No
Palletized	___	___
Ventilated	___	___
First in, First out	___	___

Temperature range _____

Comments _____

III. Freezer Failure

Food examined when received Yes _____ No _____ If not, why? _____

Temperature Checks

Frequency _____ Date of last check _____

Readings taken	Yes	No
Inside	___	___
Outside	___	___
First in, first out	___	___
Warning system	___	___

Do you have a temperature check sheet? Yes _____ No _____
If yes, please be sure to attach a copy.

Comments _____

IV. Theft

Police informed

Yes _____ **(Attach police report)**

No _____ If not, why? _____

Thief's method of entry _____

Locks and alarms used Yes _____ No _____

Covered by insurance Yes _____ No _____

Comments _____

V. Disposition of Food

Food inspected

Yes _____ By _____ **(Attach report)**

No _____ If not, why? _____

Food condemned

Yes _____ By _____ **(Attach report)**

No _____

Food salvaged or recouped Yes _____ No _____

Food destroyed

On whose authority _____

How? _____

Comments _____

VI. Recommendation

Total value of lost food(s) _____

Payments recipient agency received from warehouse, insurance or freezer company _____

Salvage income/value of recouped food _____

Total Claim _____

Was negligenee involved in this loss? Yes _____ No _____

Reasoning _____

If claim is established, recipient agency desires to replace **bonus** food with (list **specific** item/items) _____

replace **non-bonus** food with _____

_____ _____ _____

(Signature of Recipient Agency Rep.) *(Title)* *(Date)*

(FOLLOWING TO BE COMPLETED BY NC DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES)

DETERMINATION

_____ No Claim _____ Claim

Replace **bonus** food with _____

Replace **non-bonus** food with _____

Reasoning _____

_____

_____ Director, Food Distribution Division NC Department of Agriculture and Consumer Services _____

(Signature) (Title) (Date)

NCD -89
Rev 8/08

EXHIBIT 10

DONATED FOOD

PERPETUAL INVENTORY

COMMODITY: _____ PACK SIZE: _____

AGENCY: _____VALUE: $_____

Date	Order Number	Quantity Received	Quantity Used	Quantity Transferred	Adjustment*	Balance

*Use list Code D (damaged), L (lost) or S (spoiled) beside any quantity listed in the adjustment column.

EXHIBIT 11

NC Department of Agriculture & Consumer Services – Food Distribution Division

USDA END OF MONTH INVENTORY

Agency: _____

Date: _____

COMMODITY	PACK SIZE	(Record to the Smallest Unit) QUANTITY ON HAND

EXHIBIT 12

NCD-78
Revised 6/03

NORTH CAROLINA DEPARTMENT OF AGRICULTURE
AND CONSUMER SERVICES
FOOD DISTRIBUTION DIVISION

P O Box 659
Butner, NC 27509-0659
Phone (919) 575-4490 Fax (919) 575-4143

RECORD OF TRANSFER
USDA COMMODITIES

(1) _____
Transfer Number

(2) (3) _____
Age ncy Code Nam e of Transferring Agency

(4) (5) _____
Date Official Signature and Title

(6) (7) _____
Age ncy Code Nam e of Receiving Agency

(8) (9) _____
Date Official Signature and Title

(10) Commodity Code	(11) Commodity	(12) Case Pack	(13) Current Value Per Case	(14) Case Quantity

(15) _____
Date

(16) _____
Signature of approving NCDA&CS Official

Upon completion, mail original to: NCDA&CS. Keep one copy for your records and provide one copy to Receiving Agency. The transfer number and current value per case will be assigned by the NCDA &CS Administrative Office in Butner. Please call for these two items before you make a transfer.

EXHIBIT 12

INSTRUCTIONS FOR COMPLETION OF FORM NCD-78

1. Enter transfer number assigned by the NCDA&CS Administration Office.
2. Enter agency code number of agency transferring USDA Commodities.
3. Enter name of agency transferring USDA Commodities.
4. Enter date of transfer.
5. Enter signature and title of agency official transferring USDA Commodities.
6. Enter code number of agency receiving the transferred USDA Commodities.
7. Enter name of agency receiving USDA Commodities.
8. Enter date the transfer transaction occurred.
9. Enter signature and title of the agency official transferring USDA Commodities.
10. Enter assigned NCDA&CS commodity code number for each commodity transferred.
11. Enter a short title (name of commodity) for each commodity transferred.
12. Enter pack size of product, example: 6/10 for Green Beans.
13. Leave this column blank – current value will be assigned by NCDA&CS staff.
14. Enter the number of cases of USDA Commodities transferred.
15. Enter date the form was completed.
16. Leave blank – for approving official in NCDA & CS Administrative Office.

SKP/CI
Rev. 5/09

EXHIBIT 13

RA CODE # _____

NORTH CAROLINA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES FOOD DISTRIBUTION DIVISION

ADMINISTRATIVE REVIEW REPORT

SECTION I. GENERAL

1. Name and address of Recipient Agency

   _____

   _____

   _____

   _____

   Telephone Number: _____

   Fax Number: _____

   E-mail: _____

2. Total number of locations: _____

3. Type of RA –Soup Kitchen Program

4. Date of Review _____

5 Name and title of person(s) interviewed

   _____

   _____

6. Name and title of State Representative(s)

   _____

   _____

7. SKP/CI Total _____ Eligible _____

   _____ _____
   (Report Date) (Report Date)

SECTION II. FOOD SERVICE MANAGEMENT COMPANIES

	YES	NO	COMMENTS
1. Does RA employ the services of a food service management company?	_____	_____	_____
2. If yes, determine whether contract between the respective RA and the food service management company provides the following:			
a. Date of contract_____			
b. Beginning/ending dates of contract_____			
c. All records of the food service management company pertaining to the food service operation, shall be kept for a period of three years.	_____	_____	_____
d. All commodities received by the RA and used by the food service management company are to be utilized solely for the benefit of the RA and demonstrate how the RA benefits from the commodities.	_____	_____	_____
e. Give the state distributing agency the right to review all facilities upon their request.	_____	_____	_____

RA CODE # _____

SECTION III. COMMERCIAL STORAGE

		YES	NO	Company Name: _____ Address: _____
1.	Does RA have a contract with a commercial warehouse where USDA donated foods are stored?	_____	_____	
2.	If yes, determine whether the contract provides for the following:			COMMENTS
	a. That storage facilities will be maintained in a manner to insure safety and sanitation.	_____	_____	_____
	b. The facility can be reviewed by USDA and RA personnel	_____	_____	_____
	c. USDA foods will be clearly identified	_____	_____	_____
	d. An inventory system	_____	_____	_____
	e. Beginning and ending dates of contract	_____	_____	_____
	g. Immediate termination of the contract due to non-compliance	_____	_____	_____
	h. Termination after thirty (30) days' notice	_____	_____	_____
	i. Semi-annual inventory	_____	_____	_____
	j. Insurance coverage for the value of the foods lost	_____	_____	_____
3.	Is a book inventory maintained of food stored in commercial storage facilities?	_____	_____	_____
4.	Is a physical inventory conducted at commercial warehouses storing commodities for the RA?	_____	_____	_____
5.	Is book inventory reconciled to physical inventory at the commercial warehouse?	_____	_____	_____

6. List all locations where donated foods are stored

_____
_____
_____
_____

7. Using Page 5, record the review of each storage area listed above.

RA CODE # _____

SECTION IV. DISTRIBUTION OF FOOD

	YES	NO	COMMENTS
1. Is the current method of distribution acceptable to the various physical locations?	_____	_____	_____
2. Does the RA use or sell commodities?	_____	_____	_____
a. Are the recipients the primary beneficiaries of the agencies?	_____	_____	_____
B. How are the funds derived from the sale of commodities returned to the Food Service operation?			_____

SECTION V. RECORD KEEPING

	YES	NO	COMMENTS
1. Are all the Food Distribution records maintained for three (3) fiscal years?	_____	_____	_____
a. Foods received from the DA	_____	_____	_____
b. Foods transferred	_____	_____	_____
c. Food losses	_____	_____	_____
d. RA inventory reduction records	_____	_____	_____
2. Is a current signed contract or agreement between the Recipient Agency (RA) and the Distributing Agency (DA) on file?	_____	_____	_____
3. Have all State Grant Reporting forms been submitted to NCDA&CS or entered into the GIC (Grants Information Center)?	_____	_____	_____

SECTION VI. PROGRAM ELIGIBILITY

	YES	NO	COMMENTS
1. Eligibility			
Do you understand that you must be a non-profit agency with 501(c)(3) status in order to receive USDA commodities?	_____	_____	_____

RA CODE # _____

SECTION VII. PROGRAM ORDERING PROCEDURES

1. Ordering Procedures (Soup Kitchens & Charitable Institutions)

   a. Do you understand the Soup Kitchen PAL? _____ _____ _____

   b. Do you know how to *refuse* USDA commodities? _____ _____ _____

   c. Do you know how to request *additional* USDA commodities? _____ _____ _____

   d. Do you know where to pick up your agency's USDA commodities and when? _____ _____ _____

Additional Comments _____

_____

_____

_____

_____

_____

_____

RA CODE # _____

REVIEW OF STORAGE FACILITY

_____ Name of Recipient Agency

_____ Location Where Food is Stored

		YES	NO	COMMENTS
1.	Is space adequate?	_____	_____	_____
2.	Is space in good repair?	_____	_____	_____
3.	Is there adequate ventilation?	_____	_____	_____
4.	Is storage area secure from theft?	_____	_____	_____
5.	Are foods stored separately from pesticides, herbicides, cleaning solvent, lubricants or other materials that could contaminate foods in storage?	_____	_____	_____
6.	Are foods palletized and/or on shelves?	_____	_____	_____
7.	Is first-in / first-out method used?	_____	_____	_____
8.	Are there regular extermination treatments?	_____	_____	_____
	a. Date of last inspection/treatmnet			_____
9.	Is storage area free of rodent and insect infestation?	_____	_____	_____
10.	Record temperature in:	_____	_____	_____
	Cooler: _____			_____
	Freezer: _____			_____
	Dry Storage: _____			_____
11.	Is the inside temperature checked and recorded seven out of seven days for these three areas?	_____	_____	_____
12.	Does the State or local health agency require inspection certificates?	_____	_____	_____
	a. Date of inspection			_____Score:_____

NOTE: Individual reviews should be completed on all locations where food is stored.

RA CODE # _____

ACCURACY OF INVENTORY REDUCTION RECORDS

Foods used in verification	_____	_____	_____	_____
a. Date beginning inventory	_____	_____	_____	_____
b. Amount in beginning inventory	_____	_____	_____	_____
c. (Add) food received	_____	_____	_____	_____
d. Subtotal	_____	_____	_____	_____
e. (Subtract) food transferred/lost	_____	_____	_____	_____
f. Subtotal	_____	_____	_____	_____
g. (Subtract) amount of food used	_____	_____	_____	_____
h. Reviewer's book inventory	_____	_____	_____	_____
i. Date physical inventory	_____	_____	_____	_____
j. Amount in physical inventory	_____	_____	_____	_____
k. Line **j.** less line **h**. equals unaccountable foods	_____	_____	_____	_____
l. Dollar value per unit of unaccountable foods	_____	_____	_____	_____
Dollar value of unaccountable food (line **k.** x line **l.**)	_____	_____	_____	_____

COMMENTS:

_____

_____

_____

_____

_____

RA CODE # _____

LOCATION: _____

INVENTORY

Commodity	Date Received	Pack Date	# Units		Months Supply	Comments
			Cases	Ind. Units		

RA CODE # _____

NORTH CAROLINA DEPARTMENT OF AGRICULTURE
AND CONSUMER SERVICES
FOOD DISTRIBUTION DIVISION

ADMINISTRATIVE REVIEW RECOMMENDATIONS / REQUIREMENTS

Record Keeping:

_____
_____
_____
_____
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_____
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_____
_____

Storage Practices:

_____
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Utilization:

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RA CODE # _____

Accountability:

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Recommendations and Comments

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RA CODE # _____

Written confirmation detailing the corrective action taken on each regulatory deficiency listed in this report should be sent to the following address:

Administrative Office
North Carolina Department of Agriculture
and Consumer Services
Food Distribution Division
P O Box 659
Butner, NC 27509-0659
(919) 575-4490 PHONE (919) 575-4143 FAX

Your response should be mailed to this office within ten (10) working days from the date of this exit conference.

Corrective Action Required

_____ _ _____
YES NO

Follow up date for Corrective Action if required

_____

_____
Recipient Agency Name

_____
Signature of Sponsor Representative

DATE: _____

_____
Signature of NCDA & CS Reviewer

DATE: _____

RA CODE # _____

CIVIL RIGHTS COMPLIANCE

A. Civil Rights Assurance

Does the r ecipient agency have a signe d agree ment w ith the state agency assuring that no person in the United States shall, on the grounds of race, color, age, sex, national origin and disability be e xcluded from participation in or be denied the benefits of, or be otherwise subjected to discrimination under any program receiving Federal financial assistance? Yes _____ No _____
Comments: _____

_____

B. Public Notification

1. Has the recipient agency established a public notification system to inform the public, particularly minorities and grass roots organizations, of the Food Distribution Program eligibility requirements and complaint handling procedures?
   Yes _____ No _____

   Comments: _____

2. Do all forms of communication, which are used to inform the general public about the program include the required nondiscrimination statement? Yes _____ No _____

   Comments: _____

3. Has the policy on nondiscrimination and the procedures for filing a complaint been publicized and do participants have access to Title VI information? Yes _____ No _____

   Comments: _____

4. Have program participants, particularly minorities, been informed of significant program developments and/or changes in eligibility or benefits? Yes _____ No _____

   Comments: _____

5. Is the USDA Title VI poster "... And Justice for All," or an approved substitute poster containing the nondiscrimination statement and complaint filing information, displayed in a prominent place?
   Yes _____ No _____

   Comments: _____

C. Racial/Ethnic Date Collection and Retention

1. What is the system for collecting, analyzing, and maintaining participation data? Explain: _____

   _____

   _____

2. Is racial data collected and maintained on recipients as well as denied applicants? Yes _____ No _____
   Explain:_____

   _____

3. What source(s) does the recipient agency use to estimate the racial makeup of its service delivery area?

   Explain: _____

   _____

D. Complaints of Discrimination

1. What procedures are used by the recipient agency for handling alleged discrimination complaints?

   Explain: _____

   _____

2. How many complaints have been filed during the past year alleging discrimination on the basis of race, color, national origin, age, sex or disability?_____

3. Has the state agency conducted a compliance review of the recipient agency against whom complaints alleging discrimination have been filed? Yes _____ No _____

   Explain: _____

   _____

E. Non-English Speaking Provision

1. What steps have been taken to provide bilingual personnel and/or materials to limited or non-English communicating persons that will assure equal opportunity for participants in the program by eliminating any information or communication barriers?

   Explain: _____

   _____

2. Has the recipient agency encountered any problems with providing bilingual personnel and/or materials to limited or non-English speaking persons? Yes _____ No _____

   Explain: _____

   _____

F. Training and Monitoring

1. What steps does the recipient agency take for training staff and volunteers? Are training sessions documented?

Explain _____

____ _____

2. How does the recipient agency monitor it's various sites/subrecipients?

Explain _____

_ _____

G. Disability Accommodations

1. How does the recipient agency accommodate participants with disabilities?

Explain _____

_____

REPORT OF FINDINGS OF NON-COMPLIANCE

NC Department of Agriculture
and Consumer Services
Food Distribution Division
P O Box 659
Butner, NC 27509-0659

Page ___ of ___

(1) RECIPIENT NAME	(2) DATE OF FINDING	LOCATION OF (3) CITY	RECIPIENT (4) STATE	(5) FEDERAL PROGRAM	(6) BASIS CODE	(7) STATUS CODE	(8) TYPE CODE

(9) REPORTING AGENCY	(10) DATE OF REPORT	(11) NAME AND TITLE REPORTING OFFICIAL	(12) DATE RECEIVED DJ# (leave blank for internal use only)

EXHIBIT 14

INSTRUCTIONS FOR COMPLETING AGENCY REPORT OF FINDINGS OF NON-COMPLIANCE

(1) Recipient Name: The reporting agency will provide the name of the recipient of federal assistance against which the finding has been made.

(2) Date of Findings: The reporting agency will provide the date on which each finding was made by the agency civil rights office.

(3)&(4) Location or Recipient: The reporting agency will provide the location of the recipient of federal assistance against which the finding has been made. Both the city and state in which the recipient resides should be specified. Specified City means any urban municipal area.

(5) Federal Program: The reporting agency will provide the common name of the program under which the recipient receives Federal funds (e.g. Food Stamps, AFDC, CETA, etc).

(6) Basis Code: The reporting agency will indicate the grounds on which the finding of discrimination was based, using the following numerical codes:

01 – Race 02 – Color 03 – National Origin
04 – Sex 05 – Age 06 - Disability

Only one code need be reported per finding

(7) Status Code: The reporting agency will indicate a stage of resolution for each finding using the following codes:

01 - Pending negotiation
07 - Under negotiation
08 - Scheduled for hearing
09 - Referred to DOJ for litigation
10 - Fund termination proceeding initiated
11 - Resolved

(8) Type Code: The reporting agency will indicate the type of discrimination found using the following codes

01 - Services
02 - Employment
03 - Both services and employment

See Code of Federal Regulations, 28 C.F.R. §42.402(1) of the Attorney General's Coordination Regulations for a definition of employment discrimination as it relates to Title VI. All other types of discrimination should be classified as "services" discrimination.

(9) Reporting Agency: The reporting entity will fully identify itself. One report may be submitted for an entire Department (i.e., Department of Commerce) or several reports may be submitted by the various component grant agencies of that Department (i.e., Economic Development Agency, Department of Commerce). In either case, full identification is requested.

(10) Date of Report: The reporting agency will specify the date on which the report was forwarded to the AAG.

(11) Name and Title Reporting Official: Each report should specify an official in the reporting agency who (a) is responsible for the accuracy of data contained in the report and (b) will act as liaison with DOJ concerning questions pertaining to the contents of the report.

(12) This is reserved for DOJ internal use and should be left blank.

EXHIBIT 15

INFORMATION NEEDED TO FILE A COMPLAINT

- Commodity Code _____
- Contract Number _____ (Found stamped on the box – this is the ***most important*** number needed*)
- Which warehouse was it shipped from? _____
- Date agency received commodity _____
- How much was received? _____ (example:16 cases)
- How much was affected? _____
- How much is left at site(s)? _____
- Description of problem _____

_____

_____

- Name (person filing complaint) _____
- Agency name _____
- Phone number _____
- email address _____

* If the contract number is unavailable, it is *very* important to supply a copy of the Delivery Order / Invoice that the agency received from the warehouse. It can be either faxed or mailed to Food Distribution to assist with filing the complaint.

Food Distribution phone number: (919) 575-4490
Food Distribution fax number (919) 575-4143

Address: NCDA&CS Food Distribution Division
P O Box 659
Butner, NC 27509-0659
Attention: Bob Sitton, Administrator for Field Services
Bob.Sitton @ncmail.net

1) Reporting the dollar value of USDA commodities your agency receives each year.

The NCID and On-Line Reporting

You must have an NCID to take advantage of on-line reporting and the new Grants Information Center being developed by the Office of State Budget and Management (OSBM).

What is an NCID?

Offered by the State Office of Information Technology Services, the North Carolina Identity Service (NCID) is a standard identity management and access service to State, local, business and citizen users. NCID enables its customers to achieve an elevated degree of security and access control to real-time resources such as customer based applications and information retrieval. It will allow you to manage your State grant reporting requirements in one central location.

Who needs an NCID?

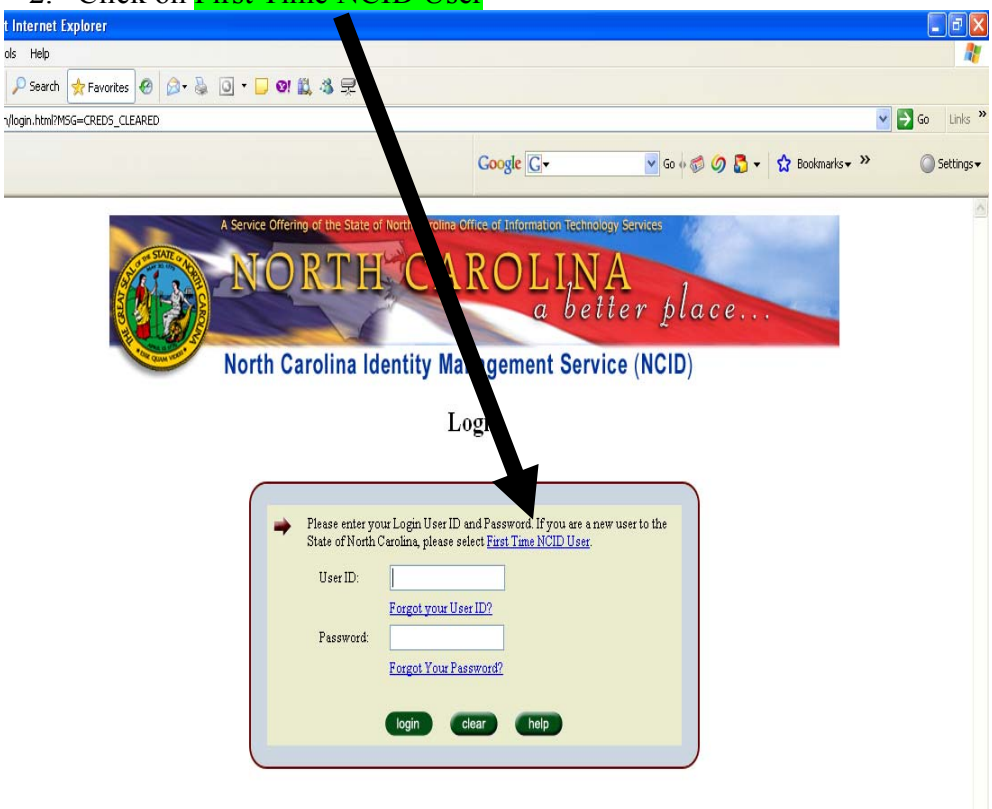
All grantees who receive state funds who are required to file financial report information under GS 143C-6-23 (formerly GS 143-6.2). All grantees will need an NCID to access the Office of State Budget and Management's Grants Information Center. The NCID establishes your identity to use the GIC and verifies the user as the individual grantee. The NCID provides grantees access to manage account information, allowing the grantee the ability to assign individuals authority to access and enter grants information on their behalf. In other words, it assigns the appropriate level of access to online resources.

When can you establish your NCID?

Grantees can apply today by going to the link below and establishing your NCID. Only those grantees with NCID's will be able to file the State mandated reports and access the data.

Registering for NCID (Nonprofits)

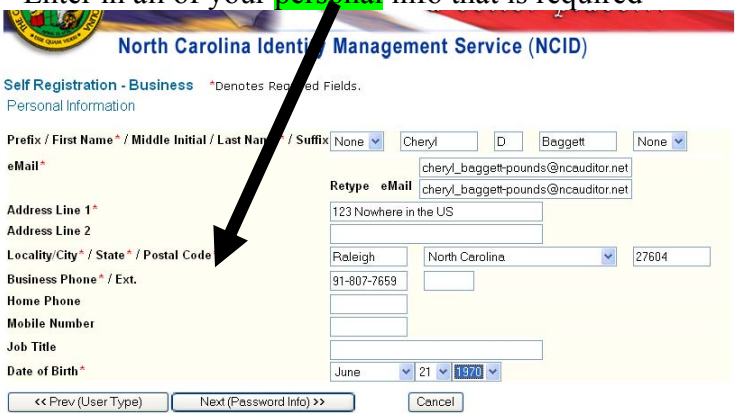
1. Go to https://ncid.nc.gov/login/login.html?MSG=CREDS_CLEARED
2. Click on First Time NCID User



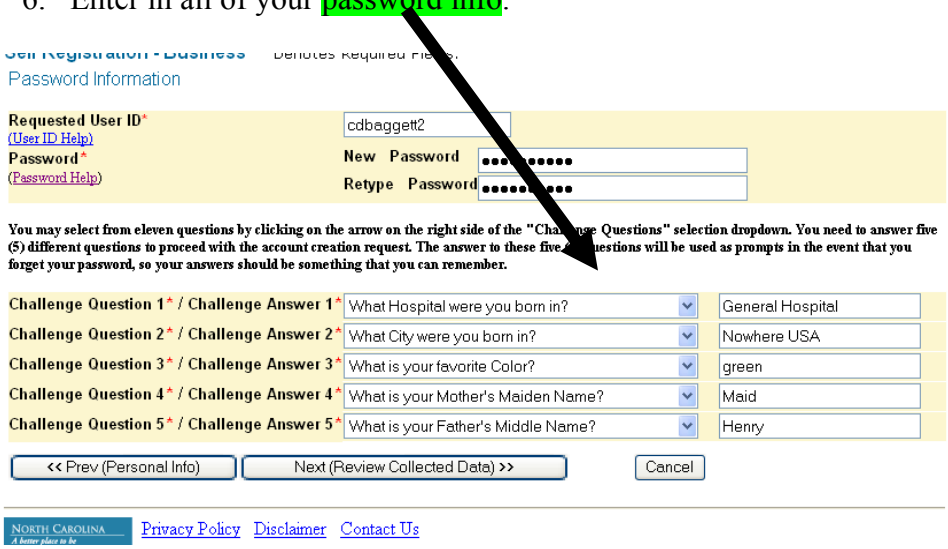
3. Then click on Business

4. Enter in United States and then click on Next (Personal Info)

5. Enter in all of your personal info that is required*



6. Enter in all of your password info.



Password Tips

- **Minimum Length of Eight (8) Characters.**

Your password must be at least size Eight (8) characters long and no more than Thirty Five (35).

- **Minimum of One (1) numeric character is required**

- **Special characters may be used anywhere in your password and may be repeated. The following special characters ARE allowed:**
  ~ ! @ # $ % ^ & *) (_ - + = : ; > < , . ? } { |
  The following characters are NOT allowed:
  - **forward slash (/)**
  - **backward slash (\)**
  - **doublequote (")**
  - **singlequote (')**
  - **reverse singlequote (`)**
  - **space**

- **Three (3) Days Between Password Changes**

There must be at least three (3) days between password change requests. Once you complete a password change, you must wait at least three (3) days before trying to change your password again.

- **Can Not Reuse a Password**

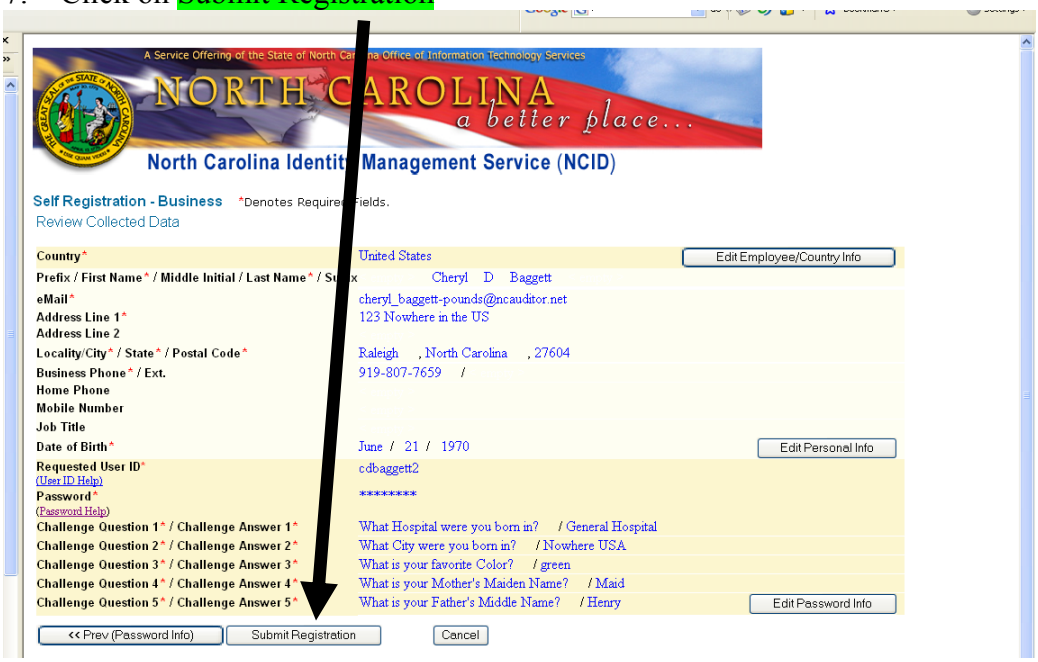
You can not reuse a password that you have used in the NCID system at any time in the past. Once a password has been entered in the system it is kept in a history file and can never be reused.

- **Password Issue Checks**

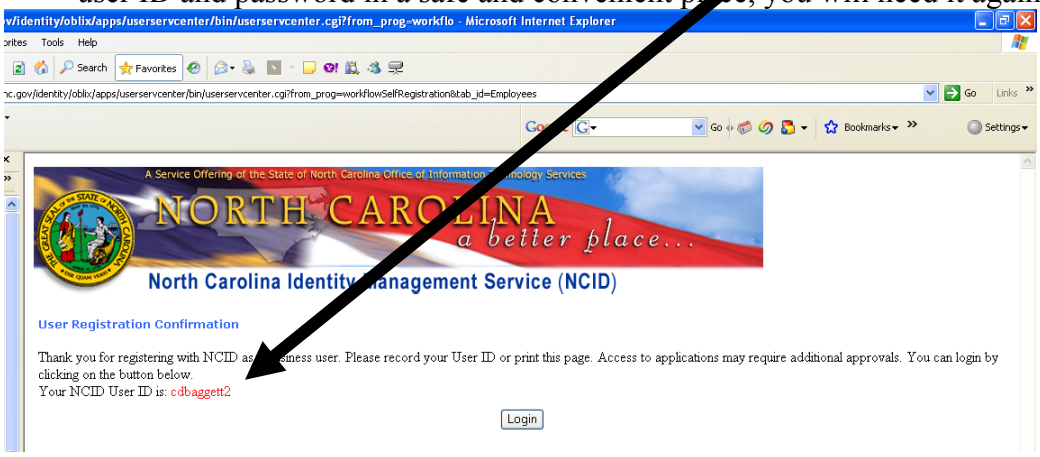
  - Make sure your password is at least the required number of characters long (see above for your user type)
  - Make sure you have not used this password in the NCID system in the past
  - Be sure to have at least one (1) numeric character (0 to 9)
  - Do not try to change your password until three (3) days have passed from the last password change

For assistance please call the Customer Support Center at 800-722-3946 or 919-754-6000.

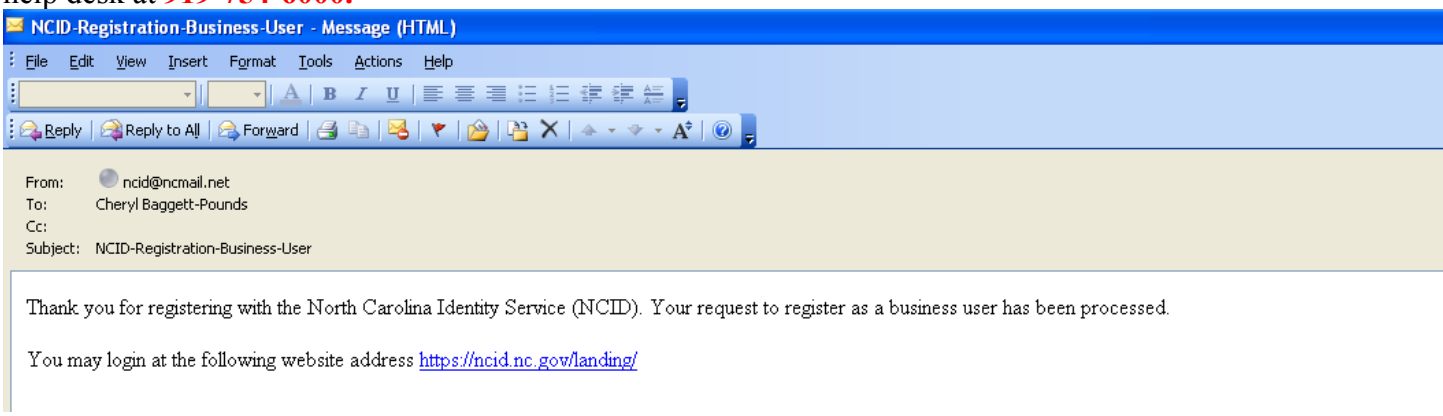
7. Click on Submit Registration



8. Then you should receive this screen with your User ID in red. *Make sure to store your user ID and password in a safe and convenient place, you will need it again.



9. Lastly you should receive a confirmation email. If you do not, then please contact the NCID help desk at **919-754-6000.**



2) NCGrants – Gaining Access to the System

AFTER you obtain your NCID, then follow these instructions.

Go to the NCGrants page;
www.ncgrants.gov

- Enter your NCID
- Enter your password click the "log in" button,
- This will take you to the NCID page where you will log in again
- Click on the "*Continue*" button
- This will take you to a form to complete
- After completing the form, click on "*Submit*"
- This will submit the request to the NCGrants administrator for you to obtain access to the NCGrants system
- **OSBM** (NCGrants Administrator) will approve your access and send an email back to you granting your access to the system (**This process can take up to 24-48 hours**)
- After receiving the email, go back to the NCGrants webpage and you will be able to log in and access any forms required for your agency to submit
- Contact the OSBM Administrator if you need help gaining access to the NCGrants system (there is a link to contact the Administrator on the webpage)