

ACTION BY: Regional Directors
Special Nutrition Programs

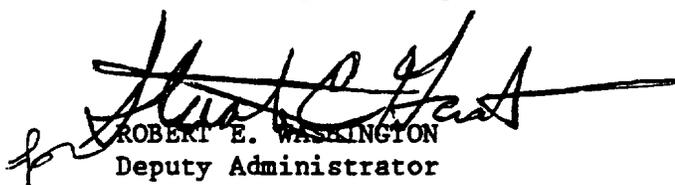
SOURCE CITATION: Section 226.6(h)

Commodity Distribution Requirements in the
Child and Adult Care Food Program

Section 17(h)(1)(D) of the National School Lunch Act and program regulations require that commodities be made available to all institutions expressing a preference for them unless the appropriate Food and Nutrition Service regional office approves the State agency's request for a complete cashout of commodities. Such a request will be approved only if distribution of commodities is judged to be impracticable due to the small number of institutions preferring them. In States where commodities, as well as cash-in-lieu, will be available, neither the State agency nor the State distributing agency (SDA) may deny commodities to any institution which has requested them.

In spite of the above, the Department recognizes that the small number of children participating under an institution, or the remote location of an institution, may make delivery of commodities to the institution unduly difficult for the SDA or prohibitively expensive. The law and the regulations mandate the availability of commodities, but not their delivery to the institution. When delivery to an institution poses a serious problem for the SDA, it may make alternate arrangements for the provision of commodities. It may explore the possibility of delivering to an appropriate nearby location, e.g., a school participating in school nutrition programs. Should this procedure prove impracticable, the SDA may require that the institution pick up its commodities at the nearest SDA distribution point.

At the time they express their preference for commodities to the State agency, institutions may not be aware that the SDA will not be able to deliver commodities to them, or that delivery charges will be passed down to them. Because this is not known at the time the institutions express their preference for commodities, some institutions may find their initial preference disadvantageous. The State agency, with the concurrence of the SDA, should allow such institutions to switch to cash-in-lieu immediately, rather than requiring them to wait until the following school year.


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DISTRIBUTION: 5,6,11,12	MANUAL MAINTENANCE INSTRUCTIONS: Remove FNS Instruction 770-2 from Manual. Insert this Instruction.	RESPONSIBLE FOR PREPARATION AND MAINTENANCE: CND-100	11-21-91
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