

ACTION BY: Regional Directors
 Special Nutrition Programs
 Food Distribution Program

SOURCE CITATION: Sections 210.8(e)(11) and 250.1(b)(7)

Use and Sale of USDA Donated Foods
 in Schools and Residential Child Care Institutions

The Department makes "entitlement" and "bonus" donated foods available to schools and residential child care centers participating in the National School Lunch Program. This Instruction sets forth the policy regarding the use and sale of these donated foods.


Entitlement donated foods are those donated foods made available by the Department to participating schools and institutions at the annually adjusted per lunch rate established under 7 CFR Part 250. Since these entitlement donated foods are made available on the basis of the number of reimbursable lunches served to children, the Department expects participating schools and institutions to use these donated foods, so far as practicable, in the preparation of required food items or side dishes of the reimbursable lunch. In addition to using these foods in the reimbursable lunch, participating schools and institutions may also use these foods in the preparation of meals served under any other meal service activity which is operated in the school or institution under the nonprofit school food service account (e.g., School Breakfast Program, a la carte sales, suppers and snacks in residential child care institutions).

Bonus donated foods are those foods donated by the Department to participating schools and institutions in excess of the annually adjusted entitlement rate established under 7 CFR Part 250. Participating schools and institutions may order bonus donated foods to the extent the foods can be used without waste, with no charge against their entitlement. Bonus foods may be fully utilized in any meal service activity operated in the school or institution under the nonprofit school food service.

While the Department encourages the use of donated foods in the preparation of food items, donated foods may also be sold in donated form, or in processed or repackaged form. Participating schools and institutions are, however, urged to make every effort to use those donated foods that have a label saying "not to be sold" in the preparation of foods items or side dishes.

DISTRIBUTION: 5,6,8,10,12,13	MANUAL MAINTENANCE INSTRUCTIONS: Remove FNS Instruction 770-1 from Manual. Insert this Instruction.	RESPONSIBLE FOR PREPARATION AND MAINTENANCE: CND-100	Page 1 5-6-86
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With the exception authorized in FNS Instruction 712-1, Use of Donated Food for Training Students in Home Economics, entitlement and bonus donated foods are not to be used or sold in meal service activities which operate outside of the nonprofit school food service. Funds derived from the sale of donated foods or food items containing donated foods must be used for the benefit of the nonprofit school food service.


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for Special Nutrition Programs