There are 10 sub-processes in the CM Lifecycle, as follows.

1. **Project Start-Up**: CM-related activities involving Program Management staff, e.g., contracting service providers for commodity import, finalizing eligibility criteria and CM budget, compiling master recipient list, establishing distribution monitoring system. **Note**: Ongoing CM-related activities that PM staff are responsible for are included in A. Internal Control and Quality Oversight.

2. **Sales Orders**: Preparation, submission, and approval of Sales Orders

3. **Procurement**: USDA tendering process and commodity swaps, loans, transfers, and diversions

4. **Ocean Shipment**: Tendering shipping contracts with ocean carriers and loading commodity at US port

5. **Port Operations**: Preparation for vessel arrival, commodity discharge, inspection, and dispatch from port

6. **Transport**: Tendering, awarding, and administering private transporter contracts

7. **Warehousing**: Establishing a warehouse; commodity receipt, storage, dispatch, and accounting

8. **Distribution**: Distribution planning, site set-up, distribution procedures, and reporting

9. **Food Distribution Monitoring**: Monitor training and scheduling; data collection, synthesis, feedback, and reporting

10. **Close-Out**: Close-Out Plan preparation and submission, CM-related close-out activities, final reporting

**Two additional sub-process cut across many of the 10 lifecycle sub-processes.**

A. **Internal Control and Quality Oversight**: Warehouse and distribution control systems, ongoing monitoring, and required reporting

B. **Internal Losses**: Commodity testing, reconstitution, and disposal; loss reporting; investigations and claims

This toolkit is specifically designed for USAID development food security activity commodities. It does not cover emergency programs like that of WFP commodities, or Local and Regional Procurement (LRP) commodities.

This toolkit was developed by The TOPS Program with active involvement of the community of commodity management practitioners from the partner agencies. The Technical and Operational Performance Support (TOPS) Program was made possible by the generous support and contribution of the American people through the U.S. Agency for International Development (USAID). The contents of this toolkit were created by The TOPS Program and do not necessarily reflect the views of USAID or the U.S. Government.
HOW TO NAVIGATE

The START page is shown below. Hyperlinks help you navigate back to this page, so that you may select another sub-process.

The 12 sub-processes are illustrated here.

From the START page, click a sub-process box to view the map of its activities.

Click NEXT below, to continue navigation instructions.
A thick border means the activity contains lower-level tasks. Click the box to access the corresponding map for these tasks.

Each sub-process map is broken down into "swimlanes." Swimlanes indicate the function(s) responsible for the activities or tasks within them.

Click NEXT below to continue navigation instructions.
Click the NEXT box to begin exploring the Commodity Management Interactive Life-Cycle Process Maps.

Corresponding TOOLS are listed in a green box.

All tools for a sub-process are located in a folder for that sub-process. Save the TOOLS to your computer, and adapt them to your local context.

8.0 DISTRIBUTION

Program Management

Commodity Management

Distribution Team

Local Stakeholders

START

8.2 Plan before every distribution

8.3 Receive commodities at distribution site

8.4 Set up distribution site

8.5 Distribute commodity

8.6 Report on distribution

END

Recipient Registration GUIDELINES

Recipient Registration CHECKLIST

Distribution Site Set-Up CHECKLIST

Distribution Procedures GUIDELINES
Commodity Management Interactive Life-Cycle Process Maps

1.0 Project Start-Up
2.0 Sales Order
3.0 Procurement
4.0 Ocean Shipment
5.0 Port Operations
6.0 Transport
7.0 Warehousing
8.0 Distribution
9.0 Food Distribution Monitoring
10.0 Close-Out
A.0 Internal Control and Quality Oversight
B.0 Internal Losses

Go To:
Overview page
RESOURCES page
1.0 PROJECT START-UP

Awardee HQ

1.1 Hire commodity manager (with HR)

1.2 Verify ALL host (and transit) country requirements for commodity import

1.3 Complete PERSUAP and initial Fumigation Management Plan (if not completed during proposal stage)

1.4 Contract necessary service providers (with Procurement)

1.5 Conduct program start-up workshop (to clarify DIP)

1.6 Establish written agreements with agencies that will distribute commodity

1.7 Collect eligibility/graduation criteria data as part of project baseline

1.8 Establish distribution monitoring system

1.9 Establish community-level committees

1.10 Compile master recipient list

1.11 Request modification of program plan/budget (if necessary)

Funding for commodity component received

Commodity Manager Core Competencies

GO TO A.0: Internal Control

Click here for all sub-process tools
1.0 PROJECT START-UP

1.4 Contract necessary service providers

Awardee HQ

Service providers not contracted during proposal stage

1.4.1 Hire freight forwarder

Program Management

1.4.2 Tender, approve, and contract fumigation service provider (with Procurement)

1.4.3 Validate port assessment, even if TB/L used

Commodity Management

1.4.4 Tender, approve, and contract C&F agent (with Procurement)

1.4.5 Tender, approve, and contract one independent surveyor per vessel (with Procurement)

Clearing & Forwarding Agent Agreement EXAMPLE

Clearing & Forwarding Agent CHECKLIST

Clearing & Forwarding on TB/L Agreement EXAMPLE

Independent Surveyor Agreement EXAMPLE

Independent Surveyor CHECKLIST

Independent Surveyor on TB/L Agreement EXAMPLE

END
1.0 PROJECT START-UP

1.6 Establish written agreements with agencies that will distribute commodity

- Distribution agencies identified

1.6.1 Define accountability, responsibilities, liability limits, reporting, and procedures for handling commodity distributions and losses in agreements

- Distribution Agency Agreement CHECKLIST

1.6.2 Train distribution agency staff on recipient selection/registration, distribution, monitoring, reporting, and procedures for handling commodity losses

END
## 1.0 PROJECT START-UP

### 1.7 Collect eligibility/graduation criteria data as part of project baseline

<table>
<thead>
<tr>
<th>Program Technical Sectors</th>
<th>1.7.1 Clarify targeting (eligibility) criteria stated in proposal</th>
<th>1.7.2 Ensure baseline questions capture information on eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Management</td>
<td>1.7.3 Analyze baseline data on eligibility</td>
<td>1.7.4 Use data to map out distribution centers</td>
</tr>
<tr>
<td>Commodity Management</td>
<td></td>
<td>END</td>
</tr>
</tbody>
</table>
1.0 PROJECT START-UP

1.8 Establish distribution monitoring system

1.8.1 Design commodity distribution monitoring plan (based on sample size and sampling techniques in proposal)

1.8.2 Design monitoring forms

1.8.3 Sensitize community

1.8.4 Develop appropriate community feedback/complaint mechanisms

- Community Feedback & Complaint Mechanism GUIDELINES
- A Practical Guide to Sampling

Food Distribution Monitoring System GUIDELINES
- On-Site Distribution Monitoring Questionnaire TEMPLATE
- Distribution Site Storage Monitoring Questionnaire TEMPLATE
- Post-Distribution Monitoring Questionnaire TEMPLATE
1.0 PROJECT START-UP

1.10 Compile master recipient list

**Commodity Management**
- **START**
  - 1.10.1 Hire and train distribution team members
    - Distribution Team Member Responsibilities GUIDELINES

**Distribution Team**
- 1.10.2 Mobilize community input for recipient registration
- 1.10.3 Identify provisional recipients, based on eligibility criteria stated in Agreement and baseline
- 1.10.4 Ensure ration/ID cards comply with approved donor branding plan
  - Recipient Ration or ID Card TEMPLATE
- 1.10.5 Verify and register recipients
- 1.10.6 Identify distribution sites
  - Distribution Site Identification GUIDELINES
- 1.10.7 Issue recipient ration/ID cards against some form of identification
  - Recipient Registration GUIDELINES
- 1.10.8 Produce electronic master list/database

**Community and Local Stakeholders**
- 1.10.1 Hire and train distribution team members

**MIS/Monitoring Team**
- 1.10.8 Produce electronic master list/database

END
1.0 PROJECT START-UP

1.11 Request modification of program plan/budget (if necessary)

Program Technical Sectors

Budget modification necessary

1.11.1 Align activities, eligibility criteria, and numbers of recipients with budget

Commodity Management

1.11.2 Validate commodity management section of DIP and budget based on current conditions

1.11.3 Update AER and commodity pipeline based on revision(s) to program plan

TA modification necessary?

NO

YES

1.11.4 Submit TA modification request to FFP

1.11.5 Approve TA modification request

1.11.6 Sign TA modification

COP

CM Logistics Network Design GUIDELINES

CM Staff Functions and Responsibilities GUIDELINES

FFPIB 18-01 Eligible Uses of Section 202(e) for FFP Awards

FFPIB 18-02 Eligible Uses of ITSH for FFP Awards

USAID/FFP

End

Go Back
2.0 SALES ORDER

Commodity Management

2.1 Rerun latest commodity calculator (updated by USAID) and compare to budget to ensure funding availability

2.2 Send request for concurrence to USAID

2.7 Contract inland transportation to final destination (see 6.0)

Awardee HQ

2.3 Enter sales order (SO) in WBSCM

Freight Forwarder

2.4 Mission generates concurrence cable (or notes in free text field on SO)

2.5 AOR notifies FFP/POD of SO number via email

Through bill of lading?

YES

GO TO 3.0: Procurement

NO

Click here for all sub-process tools
2.6 Approve sales order

2.6.1 GEO/CBO reviews, approves, and enters concurrence in WBSCM

2.6.2 POD reviews and verifies all certifications in order, and approves (within 1 week)

2.6.3 Revise and resubmit

2.6.4 DACO provides final approval within 2 weeks

Revisions needed?

YES

NO

End
2.0 SALES ORDER

2.6.4 DACO provides final approval

- Validate sanitary and phytosanitary import requirements for host (and, if applicable, transit) countries
- Approve policy implications and certifications
- Route SO to USDA/FSA/KCCO

START ➔ 2.6.4.1 ➔ 2.6.4.2 ➔ 2.6.4.3 ➔ END
3.0 PROCUREMENT

**Vendors**
- USDA
  - Sales order approved
    - 3.1 Create tender(s)
  - 3.2 Award contract(s)
  - 3.3 Administer contract(s)
  - Go to 4.0: Ocean Shipment

**USDA/FFP**
- Pipeline analysis reveals shortage (or emergency need)
  - 3.4 Determine feasibility of commodity swap or loan
    - Swap or loan feasible? (YES/NO)
      - YES: 3.5 Complete commodity swap or loan
        - Go to 6.0: Transport
      - NO: 3.6 Request transfer or diversion from another food assistance program

**Commodity Management**
- Expedited Commodity Procurement GUIDELINES

**Freight Forwarder**
- Ocean shipment involved? (YES/NO)
  - YES: Go to 5.0: Port Operations
  - NO: Go to 4.0: Ocean Shipment

Click here for all sub-process tools
3.0 PROCUREMENT

3.1 Create tender

3.1.1 Rack up (combine) SOs for the month

3.1.2 [Commodity Specialist] Provide feedback on unique specifications to include in invitation

3.1.3 [POD and Country Backstop Officer] Confirm list

3.1.4 Create draft commodity and freight invitations

3.1.5 Review and approve invitations

3.1.6 Publish invitations in WBSCM and email notification

GO TO 3.2

SO routed from Daco
3.0 PROCUREMENT

3.2 Award contract(s)

**USDA/KCCO**

- 3.2.1 [Specialists] Review bids for errors

- 3.2.2 Send bids received to BEOS (Bid Offer Evaluation Optimization System)

- 3.2.3 Evaluate for lowest landed cost

- 3.2.4 Review award recommendations at ad hoc meeting

**USAID/FFP**

- 3.2.5 Send “authorization to purchase” email for agreed-upon awardees

- 3.2.6 Manually evaluate socioeconomic programs (e.g., HubZone or 8(a), if applicable)

- 3.2.7 Create, review, and approve contracts; release to vendors

- 3.2.8 Create purchase contract award in WBSCM and send email to awardee(s) within 27 hours from bid opening

**GO TO 3.3**
3.0 PROCUREMENT

3.3 Administer contract(s)

Vendors

- 3.3.1 Define shipping periods based on dates in invitation (within 3 days after award)

USDA/KCCO

- 3.3.2 Post CAR (cargo availability report for booking vessel) on website (within 1 week after flagging)

USDA/DACO

- 3.3.3 Provide unique documents to Awardee freight forwarder

GO TO 4.0: Ocean Shipment
3.0 PROCUREMENT

3.4 Determine feasibility of commodity swap or loan

**Commodity Management**

- **3.4.1** Locate agency that can swap/loan commodity

  **Pipeline analysis reveals shortage**

  **Agency available?**

  YES

  **3.4.2** Verify quality of available commodity (e.g., BUBD, infestation)

  **3.4.4** AOR sends swap or loan agreement to Awardee

  YES

  **3.4.6** Arrange logistics to move commodity to warehouse

  NO

  **3.4.5** If possible, for packaged commodities, ensure packaging is appropriately marked as having been provided through the friendship of the American people as food for peace

**COP**

- **3.4.3** Seek approval/concurrence from AOR

  **NO**

  **GO TO 3.6**

**USAD/FFP**

- **GOTO 3.6**

  **NO**

  **Swap or loan approved?**

  YES

  **3.4.4** AOR sends swap or loan agreement to Awardee

**END**
3.0 PROCUREMENT

3.6 Request transfer or diversion from another food assistance program

COP

Swap or loan not feasible

3.6.1
Notify HQ and AOR

3.6.2
[AOR] Approve and notify mission

USDA/FFP

3.6.3
Notify USAID/POD

Ocean shipment involved?

YES

3.6.4
Notify OAA/T

NO

3.6.5
[OAA/T] Notify applicable FF and ocean carrier

3.6.6
Inform receiving Awardee of ETA, and send shipping documents

Freight Forwarder

GO TO 6.0: Transport

GO TO 5.0: Port Operations
4.0 OCEAN SHIPMENT

USAID/FFP

Freight Forwarder

Sales order approved

4.1 Create tender (RFP)

4.2 Review offers (bids)

4.3 Award contract

Awardee HQ

4.4 Deliver cargo to U.S. port

Ocean Carrier

Commodity Vendors

4.5 Load cargo

GO TO 5.0: Port Operations

Click here for all sub-process tools
4.0 OCEAN SHIPMENT

4.1 Create tender (RFP)

**Freight Forwarder**

4.1.1 Enter freight solicitations (from approved sales orders) in WBSCM

4.1.2 Complete Freight RFP Requirements spreadsheet

- Master Solicitation Terms Applicable for All PL480 Title II Cargo
- U.S. Food Aid Booking Note for Packaged Commodities, Part I
- U.S. Food Aid Booking Note for Packaged Commodities, Part II

**USDA**

4.1.3 Compile and post Freight RFP Requirements Summary on USAID website

GOTO 4.2
4.0 OCEAN SHIPMENT

4.2 Review offers (bids)

4.2.1 Enter freight offers in WBSCM (via fax or email for bulk)

4.2.2 Review offers against tender, following consistent, transparent, fair, and effective procedures and USAID uniform standard booking guidelines

4.2.3 Agree on potential freight award plan (via conference call)

4.2.4 Send notification of freight award to PVO

4.2.5 Review and finalize any concerns with USAID

Go To 4.3
4.0 OCEAN SHIPMENT

4.3 Award contract

- 4.3.1 Receive notice of CAR for vessel booking posted on USDA website (see PROCUREMENT 3.3)
- 4.3.2 Make booking contract with ocean carrier, subject to approval
- 4.3.3 Review and approve booking contract
- 4.3.4 Issue booking note (or charter party for bulk)
- 4.3.5 Sign booking note (or charter party) (with ocean carrier)

Freight award finalized

Go to 4.4
4.0 OCEAN SHIPMENT

4.4 Deliver cargo to U.S. port

Awardee HQ

Freight Forwarder

NO

NO

Vessel at port according to agreed shipping schedule?

4.4.1 Notify USDA immediately

4.4.5 Monitor deliveries and enter Over, Short & Damage Report in WBSCM

YES

START

USDA

[4.4.2] [KCCO] Determine disposition of scheduled commodity

Ocean Carrier

4.4.6 Pass title to the commodity to Awardee (generally FAS or FOB vessel at U.S. port)

NO

WBSCM generates daily advance shipping notice (ASN) of commodity that has left suppliers

Commodity Vendors

4.4.3 Transport commodities to contracted delivery point/U.S. port

GOTO 4.5
4.0 OCEAN SHIPMENT

4.5 Load cargo

**START**

**4.5.1**
Contracted inspection company conducts Vessel Loading Observation (VLO) (continues until vessel is loaded)

**4.5.2**
(If containers) Apply desiccant

**4.5.3**
Load commodities onto vessel

**4.5.4**
Fumigate vessel

**4.5.5**
Issue piece count (or lifting report for containers)

**BULK COMMODITY?**

**NO**

**YES**

**4.5.6**
Verify piece count

**4.5.7**
Immediately notify CCC of loss or damage caused by the act or omission of a third party, and assign to CCC any claim against the third party

**4.5.8**
Vessel sails

**4.5.9**
Send shipping documents to PVO in sufficient time to advise of arrival of shipment

**GOTO 5.0: Port Operations**
5.0 PORT OPERATIONS

5.1 Establish and maintain good networking relations with all concerned donor, government, and port representatives; attend in-country PVO consortium meetings; communicate daily with ocean carrier shore captain, independent surveyor, and C&F agent to review/plan daily workspace (ongoing)

5.2 Update (or issue) C&F agent and independent surveyor contracts

5.3 Process all necessary clearances

5.4 Prepare discharge and dispatch plans

5.5 Prepare for vessel arrival

5.6 Inspect and clear vessel

5.7 Discharge commodity from vessel

5.8 Inspect commodity

5.9 Dispatch commodity from port

5.10 Complete discharge survey report

Go TO 7.3: Receive commodity (at warehouse)

Cargo loaded in U.S. port

Commodity Authorization for Clearance

TEMPLATE

Discharge and Dispatch Planning GUIDELINES

Types and Causes of Commodity Damage at Port GUIDELINES

Independent Survey Report GUIDELINES

Click here for all sub-process tools
5.0 PORT OPERATIONS

5.3 Process all necessary clearances

Commodity Management

5.3.1 Establish (and maintain) shipment file for all documents

Gather required agency and shipping documents from HQ

Apply for customs clearance

Through bill of lading?

YES

5.3.4 Obtain authorization in all transit countries

END

NO

5.3.5 Obtain health certificates and other clearances from government officials

C&F Agent

At least 1 month in advance of vessel arrival

Shipping Documents CHECKLIST
5.0 PORT OPERATIONS

5.5 Prepare for vessel arrival

<table>
<thead>
<tr>
<th>Independent Surveyor</th>
<th>Commodity Management</th>
<th>C&amp;F Agent</th>
<th>Local Officials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessel departs from U.S. port</td>
<td>Vessel Movement GUIDELINES</td>
<td>5.5.1 Check updates on vessel movement weekly</td>
<td>5.5.2 Maintain regular communication with port authorities (ongoing)</td>
</tr>
<tr>
<td>5.5.3 Inform U.S. freight forwarder of potential delays at port (due to strikes, weather, or port congestion)</td>
<td>5.5.4 If bulk commodity, finalize storage and bagging facilities with port officials</td>
<td>5.5.5 Confirm berth with shore captain, and obtain port passes</td>
<td>5.5.6 Ensure internal transport schedule matches vessel arrival</td>
</tr>
<tr>
<td>5.5.8 Prepare final warehouse to receive cargo</td>
<td>5.5.7 If necessary, prepare transit warehouse to receive cargo</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.0 PORT OPERATIONS

5.6 Inspect and clear vessel

5.6.1 [Port Authorities] Authorize cargo manifest and direct vessel to berth

5.6.2 Inspect ship and captain’s log, and conduct hatch survey

5.6.3 [Customs and Health Officials] Inspect cargo on vessel

Is fumigation necessary?

YES

5.6.4 Move commodity to quarantine warehouse at port

NO

5.6.5 [Customs Officials] Process bill of entry

GOTO 5.7

Vessel arrives
5.0 PORT OPERATIONS

5.6.4 Move commodity to quarantine warehouse (upon vessel arrival)

Ocean Carrier

- 5.6.4.1 Arrange quarantine warehouse and discharge commodity

C&F Agent

- 5.6.4.2 Observe commodity discharge to silo, and record discharging method
- 5.6.4.3 Obtain copies of port and ship records (including scale weights and scale calibration) to show quantity discharged
- 5.6.4.4 Verify cargo holds are empty
- 5.6.4.9 Tally actual number of break bulk units discharged by stevedores

Independent Surveyor

- 5.6.4.5 Calculate quantity of cargo lost during discharge, and specify how such losses occurred
- 5.6.4.6 Complete bulk draft survey, and request calibration report

Port Authorities

- 5.6.4.7 Bag cargo
- 5.6.4.8 Furnish daily tally totals and other pertinent information about the bagging
- 5.6.4.9 Tally actual number of break bulk units discharged by stevedores
- 5.6.4.10 Arrange and conduct fumigation

Fumigation required

- 5.6.4.11 [Customs Officials] Process bill of entry

GO TO 5.8
5.0 PORT OPERATIONS

5.7 Discharge commodity from vessel

START

Bulk commodity?  
YES → GO TO 5.7.1

NO

Containerized commodity?  
YES → GO TO 5.7.2

NO → GO TO 5.7.3
5.0 PORT OPERATIONS

5.7.1 Discharge BULK commodity from vessel

START

5.7.1.1 Verify calibration of intake scales

5.7.1.2 Observe commodity discharge to silo, and record discharging method

5.7.1.3 Furnish daily tally totals and other pertinent information about the bagging

5.7.1.4 Obtain copies of port and ship records (including scale weights) to show quantity discharged

5.7.1.5 Verify cargo holds are empty

5.7.1.6 Calculate quantity of cargo lost during discharge, specify how such losses occurred, and issue notice of loss

5.7.1.7 Notify the Awardee immediately if additional services are necessary to protect cargo or if the correct quantity was not discharged

5.7.1.8 Complete bulk draft survey and request calibration report

5.7.1.9 Bag cargo

GO TO 5.8
5.0 PORT OPERATIONS

5.7.3 Discharge BREAK BULK commodity from vessel

START

C&F Agent

5.7.3.1 Tally actual number of break bulk units discharged by stevedores

5.7.3.2 If necessary, move commodity to port warehouse/transit shed

GO TO 5.8

Local Officials

Independent Surveyor
5.0 PORT OPERATIONS

5.8.2 Commodity looks or smells bad

1. **START**

   5.8.2.1 File notice of loss/damage (letter of protest) with ocean carrier

   **Notice of Loss (Letter of Protest) EXAMPLE**

2. **5.8.2.2** Notify port health officials and USDA; collect samples, submit for analysis, and obtain certification regarding the condition of the commodity

3. **5.8.2.3** Certification states commodity unfit for human consumption?

   - **NO**
   - **YES**

4. **5.8.2.3** Dispose of commodity in manner agreed upon with USAID

5. **5.8.2.4** Complete certificate of commodity destruction

   - **Certification states commodity unfit for human consumption?**
     - **NO**
     - **YES**

6. **5.8.2.5** Complete loss report

7. **CONTINUE TO 5.8.3**
5.0 PORT OPERATIONS

5.9 Dispatch commodity from port

Start

5.9.1
If commodity in port warehouse or transit shed, conduct ex-shed survey

5.9.2
Coordinate dispatch plan with port authorities

5.9.3
Receive dispatch authorization from port authority

5.9.4
Load sound commodity onto transport

5.9.5
Monitor transporter, vehicle condition, and cargo loading

5.9.6
Document all dispatched commodity with waybills

5.9.7
Issue daily dispatch report to receiving warehouse

Discharge survey differs from sum of waybills for all trucks?

YES

5.9.8
Complete loss report

5.9.9
File claim against port and collect reimbursement

END

NO
5.0 PORT OPERATIONS

5.10 Complete discharge survey report

START

<table>
<thead>
<tr>
<th>Independent Surveyor</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.10.1 Compare discharge tally to port/vessel tally, and reconcile differences</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Reconciled tally &gt; bill of lading?</td>
</tr>
<tr>
<td>YES</td>
</tr>
<tr>
<td>5.10.2 Notify HQ of receipt of quantities &gt; 5% of normal tolerance B/L for packaged (or &gt;2% of B/L for bulk)</td>
</tr>
<tr>
<td>NO</td>
</tr>
<tr>
<td>Reconciled tally &lt; bill of lading?</td>
</tr>
<tr>
<td>YES</td>
</tr>
<tr>
<td>5.10.5 File written notice of loss/damage (letter of protest) with ocean carrier</td>
</tr>
<tr>
<td>NO</td>
</tr>
<tr>
<td>5.10.8 Submit final discharge (ex-tackle) survey report</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commodity Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.10.3 Request clearance for additional commodity, and arrange additional transport</td>
</tr>
<tr>
<td>5.10.6 Complete loss report</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C&amp;F Agent</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.10.4 If applicable, request additional ITSH funds to cover excess landed commodity</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COP</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.10.7 Obtain copies of all port documents, and attach to discharge survey report</td>
</tr>
</tbody>
</table>

END

Marine Loss Claim GUIDELINES

Notice of Loss (Letter of Protest)

EXAMPLE

Go Back
5.0 PORT OPERATIONS

5.10.9 Promptly initiate claims against ocean carrier for damage or loss

**Independent Surveyor**

5.10.9.1 Record the names and addresses of individuals present at the time of discharge and during survey who can verify the quantity lost or damaged

5.10.9.2 If damage or loss >$500, notify FFP/AOR

**Commodity Management**

5.10.9.3 Provide USDA information on the commodity quantity, loss reason, and, if applicable, cause of damaged cargo

5.10.9.4 If loss estimated at >$5,000, provide a narrative chronology or other commentary to assist in the adjudication of claims

**Awardee HQ**

5.10.9.5 Prepare claim package, and (with waiver from USAID) assign claim rights to USDA

END
6.0 TRANSPORT

6.1 Determine transport needs

6.2 Prepare tender(s)

6.3 Award contract(s)

6.4 Administer contract(s)

Click here for all sub-process tools
6.0 TRANSPORT

6.1 Determine transport needs

- 6.1.1 Map storage and distribution points
- 6.1.2 Conduct route assessment (identify alternative or standby as necessary)
- 6.1.3 Establish transport capacity requirements (based on tonnage capacity per link and type of transport)
- 6.1.4 Determine availability of transport and market rates
- 6.1.5 Conduct planning meeting to finalize transport plan:
  - Number of units and type of transport
  - Total quantity to be transported
  - Storage/delivery points
  - Frequency of transportation

Go Back

GOTO 6.2
6.0 TRANSPORT

6.2 Prepare tender(s)

- **START**
  - 6.2.1 Determine method of contracting (MT, MT/km, trip charter, or time charter)
  - 6.2.2 Detail transporter qualifications and duties
  - 6.2.3 Determine standard clauses to include in contract
  - 6.2.4 Prepare tender documents
  - 6.2.5 Review and finalize tender documents
  - 6.2.6 Create bid/tender committee represented by Finance, Administration, Program, Senior Management, and (where applicable) Internal Audit
  - 6.2.7 Advertise tender

Go Back

Go To 6.3
6.0 TRANSPORT

6.3 Award contract(s)

- **6.3.1** Collect and record submitted bids
- **6.3.2** Verify bidders are not on any U.S. government blocked persons/entities list
- **6.3.3** Conduct in-person verification of trucks, and insurance and ownership documents
- **6.3.4** Finalize contracts
- **6.3.5** Distribute contracts to relevant parties
- **6.3.6** Conduct briefing meeting with all contracted transporters

Transport Contract EXAMPLE

Go Back
6.0 TRANSPORT

6.3.1 Collect and record submitted bids

START

6.3.1.1 Open bids in the presence of all committee members

6.3.1.2 All committee members sign every bid envelope and all documents

6.3.1.3 Draft minutes of the entire process, signed by all committee members

6.3.1.4 File envelopes, documents, and minutes along with other tender documents

END
6.4 Administer contract(s)

- **Logistics**
  - **6.4.1** Coordinate with transporters concerning distribution plans
  - **6.4.2** Routinely monitor transporter performance
  - **6.4.3** Receive transporter invoices, confirm delivery and losses recorded on waybills, and submit to Finance
  - **6.4.4** Conduct periodic performance review
  - **6.4.5** Provide feedback to Program, budget holder, and Procurement

- **Commodity Management**

- **Program Management**

END
7.0 WAREHOUSING

Program Management
- Commodity manager hired
  - 7.1 Establish warehouse(s)
  - 7.2 Hire warehouse staff

Commodity Management
- 7.3 Receive commodity
- 7.4 Maintain commodity in good condition
  - Commercial processing required? (YES/NO)

Warehouse Management
- 7.5 Process commodities into different end products (e.g., flour)
- 7.6 Dispatch commodity

Go TO 8.0: Distribution

Commodity Dispatch GUIDELINES
Dispatch Authorization TEMPLATE

Click here for all sub-process tools
7.0 WAREHOUSING

7.1 Establish warehouse(s)

START

7.1.1 Select and contract warehouse

7.1.2 Arrange for fumigation, pest, and rodent control services as necessary

7.1.3 Hire/contract adequate security for warehouse premises

7.1.4 If necessary, obtain USAID approval for budget modification

7.1.5 Purchase equipment, supplies, and reconstitution materials

7.1.6 Establish standard operating procedures (SOP) for commodity receipt and dispatch

END

Program Management

Commodity Management

Procurement

Warehouse Selection CHECKLIST

Warehouse Contract TEMPLATE

USAID Programmatic Environmental Assessment (PEA) for Fumigation of Stored Commodity FACT SHEET

Warehouse Equipment and Supplies CHECKLIST

Driver Timesheet TEMPLATE

Warehouse Daily Report TEMPLATE
7.0 WAREHOUSING

7.2 Hire warehouse staff

- 7.2.1 Determine staffing requirements (i.e., positions/number of staff to ensure adequate management, supervision, and segregation of duties)
- 7.2.2 Add to job descriptions: specific commodity duties (with performance levels for each), commodity control responsibilities, and clear lines and limits of authority
- 7.2.3 Select and (with HR) hire staff in a transparent process
- 7.2.4 Provide staff with formal and/or on the job training

Warehouse Manager Core Competencies
Warehouse Staffing GUIDELINES

Warehouse Staff Training CHECKLIST
Warehouse Staff Safety Guide
7.0 WAREHOUSING

7.3 Receive commodity

Warehouse Management

- 7.3.1 Prepare for receipt of commodity
- 7.3.2 Inspect and count commodity
- 7.3.3 Account for commodity received
- 7.3.4 File tally sheets, waybills, and, if applicable, daily report

Receive dispatch information (from port C&F agent, secondary warehouse, FDP, or other agency)

Warehouse Daily Report TEMPLATE

END
7.0 WAREHOUSING

7.3.1 Prepare for receipt of commodity

START

7.3.1.1 Lay out pallets

7.3.1.2 Clean area around warehouse and compound

7.3.1.3 Engage adequate casual labor (and, if necessary, additional security) per local labor regulations

END

Warehouse Storage Capacity for Commodities GUIDELINES

Casual Labor Recording TEMPLATE
7.0 WAREHOUSING

7.3.2 Inspect and count commodity

- **START**

- 7.3.2.1 Inspect trucks as they arrive

- 7.3.2.2 Conduct inspections

- 7.3.2.3 Tally commodity as it is off-loaded (or containers as they are destuffed) in presence of transporter

- Vehicle Inspection CHECKLIST

- Commodity Tally Sheet TEMPLATE

- Commodity Random Weight TEMPLATE

- 7.3.2.4 Inspect commodity and weigh random samples (at least 10%)

- Commodity looks or smells bad?
  - **YES** GO TO B.1: Commodity quality issues
  - **NO**

- Packaging damaged or units underweight/overweight?
  - **YES** GO TO B.2: Reconstitution
  - **NO**

- Tally sheet quantity < waybill quantity?
  - **YES** GO TO B.4: Discrepancy with waybill
  - **NO**

- **END**

- 7.3.2.5 Sign waybill

- 7.3.2.6 Complete delivery survey (if TB/L)

- Waybill TEMPLATE

Go Back
7.0 WAREHOUSING

7.3.3 Account for commodity received

1. **Warehouse Management**
   - **START**
   - **7.3.3.1** Stack commodity according to requirement standards
   - **7.3.3.2** Conduct physical count
   - **7.3.3.3** Complete stack cards
   - **7.3.3.4** Update warehouse ledger
   - **7.3.3.5** Prepare casual laborer payment sheets, and submit to Finance
   - **END**

2. **Casual Labours**
   - Commodity Stacking GUIDELINES

   - Commodity Stack Card TEMPLATE
   - Warehouse Ledger TEMPLATE
   - Casual Labor Recording TEMPLATE
7.0 WAREHOUSING

7.4 Maintain commodity in good condition

7.4.1 Establish context-specific standard operating procedures (SOP) for fire prevention and control, warehouse cleaning, fumigation, and pest/rodent control

Commodity Stack Inspection CHECKLIST

Commodity Damage Control GUIDELINES

Warehouse Cleaning Plan TEMPLATE

Warehouse Fire Prevention and Control CHECKLIST

7.4.2 Conduct and document daily inspection of stacks for pests and commodity quality

7.4.3 Conduct and document random physical counts of commodity stacks

7.4.4 Reconcile records with physical count

Count reconciled?

NO: GO TO B.3: Possible misappropriation

YES: END

GO TO B.3: Possible misappropriation
7.4.2 Conduct and document daily inspection of stacks for pests and commodity quality

- **Indication of infestation?**
  - YES: Notify fumigation service
  - NO: Ongoing

- **Indication of rodents?**
  - YES: Notify pest/rodent control service
  - NO: Ongoing

- **Containers are damaged?**
  - YES: Commodity looks or smells bad?
    - YES: Go to B.2: Reconstitution
    - NO: Ongoing
  - NO: Ongoing

- **Commodity looks or smells bad?**
  - YES: Arrange for inspection of commodity by a public health official or other competent authority approved by USAID
  - NO: Ongoing

---

**Overview of Phosphine Fumigation Management Plan TEMPLATE**

- **Indication of rodents?**
  - YES: Notify pest/rodent control service
  - NO: Ongoing

- **Containers are damaged?**
  - YES: Commodity looks or smells bad?
    - YES: Go to B.2: Reconstitution
    - NO: Ongoing
  - NO: Ongoing

- **Commodity looks or smells bad?**
  - YES: Arrange for inspection of commodity by a public health official or other competent authority approved by USAID
  - NO: Ongoing
7.0 WAREHOUSING

7.5 Process commodity into different end product

- **7.5.1** Ensure USAID approval for processing (such as grain milling)
- **7.5.2** Enter into written agreement with commodity processor
- **7.5.3** Fully account to Awardee for all commodities delivered, maintain adequate records, and submit periodic reports pertaining to the performance of the agreement
- **7.5.4** Return or dispose of the bags/tins in which the commodity was received from the Awardee according to instructions from the Awardee
- **7.5.5** Label cartons, bags, or tins containing the end product in accordance with approved Branding and Marking Plan

Go Back
7.0 WAREHOUSING

7.6 Dispatch commodity

- **Commodity Management**
  - 7.6.1 Monitor weather conditions and other accessibility or programmatic factors, and consider pre-positioning commodity
  - 7.6.2 Prepare dispatch
  - Dispatch authorization/distribution plan received

- **Warehouse Management**
  - 7.6.3 Load commodity
  - 7.6.4 Account for dispatched commodity
  - 7.6.5 File dispatch authorization/distribution plan, tally sheets, waybills, and daily reports

- **Casual Laborers**
  - 7.6.6 Generate monthly report

- **Warehouse Documents**
  - Checklist
  - Daily Report TEMPLATE

Next page
7.0 WAREHOUSING

7.6.2 Prepare dispatch

1. **START**
2. 
   - **Commodity Management:**
     - **7.6.2.1** (If necessary) Develop dispatch plan
     - **7.6.2.2** Share dispatch plan with transporter
8. 
   - **Warehouse Management:**
     - **7.6.2.3** Engage adequate casual labor and, if necessary, additional security
     - **7.6.2.4** Select commodity following FIFO, with reconstituted or fast-approaching BUBD commodities first
   
9. 
   - **Casual Labor:**
     - **7.6.2.5** If necessary, pre-package or pre-position commodity

Commodity Prepackaging GUIDELINES

**END**
7.0 WAREHOUSING

7.6.3 Load commodity

**START**

- **7.6.3.1** Coordinate transport and labor

- **7.6.3.2** Inspect driver documents and truck condition

- **7.6.3.3** Load commodity

- **7.6.3.4** (With transporter) Tally commodity as it is loaded

- **7.6.3.5** Reconcile tally count with dispatch authorization/distribution plan and transporter’s tally

- **7.6.3.6** Verify truck is loaded properly

- **7.6.3.7** Prepare casual laborer payment sheets and submit to Finance

**END**
7.0 WAREHOUSING

7.6.4 Account for dispatched commodity

- **START**
  - 7.6.4.1 Prepare waybill(s) per reconciled tallies, and obtain driver's signature

- 7.6.4.2 Inform receivers of commodity dispatched

- 7.6.4.3 Conduct physical count

- 7.6.4.4 Complete stack cards

- 7.6.4.5 Update warehouse ledger

Waybill TEMPLATE
Waybill Tracking TEMPLATE

Go Back
8.0 DISTRIBUTION

Program Management

Commodity Management

Distribution Team

Local Stakeholders

START

8.1 As instructed by program management, register new recipients, and issue recipient ID/ration card against some form of identification (ongoing)

Recipient Registration GUIDELINES

8.2 Plan before every distribution

Food Distribution Gender GUIDELINES

8.3 Receive commodities at distribution site

Distribution Site Set-Up CHECKLIST

8.4 Set up distribution site

8.5 Distribute commodity

Distribution Procedures GUIDELINES

8.6 Report on distribution

END

Click here for all sub-process tools
## 8.0 DISTRIBUTION

### 8.2 Plan before every distribution

<table>
<thead>
<tr>
<th>Warehouse Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>START</strong></td>
</tr>
<tr>
<td><strong>8.2.1</strong> Prepare distribution plan, referencing DIP, and submit to warehouse management and distribution team</td>
</tr>
<tr>
<td><strong>8.2.2</strong> Verify eligibility and update distribution list (subset of master recipient list)</td>
</tr>
<tr>
<td><strong>8.2.3</strong> Verify stock availability</td>
</tr>
<tr>
<td><strong>8.2.4</strong> Finalize distribution plan</td>
</tr>
<tr>
<td><strong>8.2.5</strong> Arrange for commodity transport to distribution sites</td>
</tr>
<tr>
<td><strong>8.2.6</strong> Inform recipients about distribution details (who, where, when, and how much)</td>
</tr>
<tr>
<td><strong>8.2.7</strong> Assign people to perform unloading, scooping, and crowd control tasks</td>
</tr>
<tr>
<td><strong>8.2.8</strong> Locate and/or ensure secure site storage</td>
</tr>
</tbody>
</table>

**Commodity Ration Measurement GUIDELINES**

**Distribution Notification CHECKLIST**

**Distribution Site Roles and Responsibilities CHECKLIST**

**Distribution Site Storage GUIDELINES**
8.0 DISTRIBUTION

8.3 Receive commodities at distribution site

<table>
<thead>
<tr>
<th>Local Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.3.1 Tally commodity as it is off-loaded, and randomly weigh containers in presence of transporter and local stakeholders</td>
</tr>
<tr>
<td>Commodity arrives at distribution site</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distribution Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.3.2 Record discrepancy (and information on losses) on waybill</td>
</tr>
<tr>
<td>Tally matches quantity stated on waybill?</td>
</tr>
<tr>
<td>YES</td>
</tr>
<tr>
<td>8.3.3 Sign waybill</td>
</tr>
<tr>
<td>NO</td>
</tr>
<tr>
<td>8.3.4 Set up commodity for distribution or move to (and record in) site storage</td>
</tr>
<tr>
<td>END</td>
</tr>
</tbody>
</table>
8.0 DISTRIBUTION

8.4 Set up distribution site

Distribution Team

START

8.4.1 Assemble distribution materials

8.4.2 Arrange site, ensuring minimum standards and donor branding compliance

8.4.3 Set up feedback/complaint mechanism

END

Local Stakeholders

Distribution Site Set-Up CHECKLIST

USAID Branding and Marking GUIDELINES
8.0 DISTRIBUTION

8.5 Distribute commodity

**Distribution Team**

- **START**
  - 8.5.1 Conduct pre-distribution address to provide information regarding ration entitlement and how to collect ration
  - 8.5.2 Call and verify recipients on distribution list
  - 8.5.3 Provide each recipient with ration entitlement
  - 8.5.4 [Recipients] Acknowledge receipt of ration
  - Quantities reconcile?
    - **YES**
      - 8.5.5 At end of distribution, reconcile commodity received at site with commodity distributed and commodity remaining
      - 8.5.6 Record any undistributed commodity on site storage stack card, or prepare return waybill and return to dispatching warehouse
    - **NO**
      - GOTO 8.5

**Local Stakeholders**

- END

8.5.7 Dispose of empty containers per established procedures
8.0 DISTRIBUTION

8.6 Report on distribution

Program Management

8.6.1 Prepare distribution report → 8.6.2 Approve distribution report

Distribution Team

Distribution is completed → 8.6.1 Prepare distribution report

8.6.2 Approve distribution report → 8.6.3 If possible, debrief community on distribution

8.6.3 If possible, debrief community on distribution → 8.6.4 Make recipient projections for next distribution period

8.6.4 Make recipient projections for next distribution period → END
9.0 FOOD DISTRIBUTION MONITORING

Program Management

START

Commodity Management

9.1 Procure monitoring equipment and materials

Food Distribution Monitoring
EQUIPMENT CHECKLIST

9.2 Train monitors

Food Distribution Monitoring
PROCEDURES GUIDELINES

Program Monitoring Team Leader

9.3 Finalize monitoring schedule

9.7 Process community feedback and complaints on distribution process

Food Distribution Monitoring Follow-Up Issues Tracking Sheet TEMPLATE

Program Monitoring Team Monitors

9.4 Per schedule, collect data at distribution sites

9.5 Per schedule (and before next distribution) conduct HH-level, post-distribution interviews

Focus Group Discussions GUIDELINES

9.6 Synthesize completed questionnaires and produce monitoring report

9.8 Utilize food distribution monitoring reports to improve distribution equity and process

Local Stakeholders

Click here for all sub-process tools

END

Go Back
9.0 FOOD DISTRIBUTION MONITORING

9.3 Finalize monitoring schedule

Program Monitoring Team Leader

START

9.3.1 Develop schedule based on monitoring plan and current distribution plan(s)

9.3.2 Synchronize schedule with Program and Commodity Management

Post-distribution monitoring?

NO

9.3.5 Verify logistics to implement schedule

YES

9.3.3 Share schedule with community committee

9.3.4 Assign community roles and responsibilities

END

Program Monitoring Team Monitors

Local Stakeholders
9.0 FOOD DISTRIBUTION MONITORING

9.4 Per schedule, collect data at distribution sites

- **START**
- **Program Monitoring Team**
  - 9.4.1 Complete on-site distribution monitoring questionnaire data for site layout and operation
  - 9.4.2 Randomly select and interview recipients
  - 9.4.3 Verify selected recipients are on distribution list
  - 9.4.4 Randomly weigh/measure commodity received
  - 9.4.5 At end of distribution, reconcile commodity distributed with distribution list
  - 9.4.6 Reconcile undistributed commodity and, if applicable, empty bags/tins

- **Local Stakeholders**

**END**
9.0 FOOD DISTRIBUTION MONITORING

9.6 Synthesize completed questionnaires and produce monitoring report

9.6.1 Submit completed monitoring questionnaires to team leader

9.6.2 Enter monitoring data into electronic system

9.6.3 Collate data with information collected from community (e.g., help desk) and distribution team observations

9.6.4 Synthesize completed forms, and produce distribution monitoring report within time frame set for report production

9.6.5 Submit reports to Program Management, Commodity Management, and Community Committee

END
10.0 CLOSE-OUT

10.1 Prepare for close-out

10.2 Produce commodity section of close-out plan

10.3 Develop and submit close-out plan

10.4 Stop registration according to plan, and inform recipients of final distribution

10.5 Implement commodity section of approved close-out plan

10.6 Close out distribution agencies (30 to 90 days before EOP)

10.7 Draft and submit commodity close-out report (2 months prior to EOP)

10.8 Complete final CSR, RSR, and LSR

10.9 Submit project close-out report within 90 days of EOP

10.10 Retain commodity records for 3 years (longer for open claims or outstanding audits) or per Awardee policy, whichever is longer

15 months before EOP

Commodity Close-Out Plan EXAMPLE
Commodity Close-Out Plan TEMPLATE
Commodity Management Close-Out CHECKLIST

Food Aid Program Close-Out Guide

Click here for all sub-process tools
10.0 CLOSE-OUT

10.1 Prepare for close-out

**COP**

10.1.1 Determine when to stop recipient registration (by activity)

10.1.2 Determine final sales order and distribution dates

10.1.3 Develop final AER and CP

10.1.4 Submit close-out schedule with final PREP and negotiate with AOR.

10.1.5 Hold “lessons learned” workshop to capture institutional memory before close-out begins

10.1.6 Form interdepartmental close-out team, and assign close-out coordinator

**END**
10.0 CLOSE-OUT

10.2 Produce commodity section of close-out plan

**Commodity Management**

- **START**
- **10.2.1** Review and reconcile all relevant commodity documents

**Program Management**

10.2.2 Inventory commodity assets and reconcile with original documents
10.2.3 Reconcile ITSH line items (with Finance)
10.2.4 Report all documents that do not reconcile to COP and, depending on the document, to USAID
10.2.5 If excess commodity, develop commodity disposition plan
10.2.6 Develop plan to close out all service provider contracts (with Finance)
10.2.7 Develop staff realignment/termination plan (with HR)
10.2.8 Plan for unspent ITSH

**END**
10.0 CLOSE-OUT

10.3 Develop and submit close-out plan

Program Management

START

10.3.1 Gather and organize relevant documents (per A133)

10.3.2 Update inventory lists and disposition plans

10.3.3 Prepare draft close-out plan

10.3.4 Conduct workshop with all recipient agencies to review/negotiate plan and identify risks

END

COP

10.3.5 Finalize and submit draft plan to Awardee HQ

10.3.6 Approve and submit to FFP/W and mission

10.3.9 Address issues and resubmit

10.3.11 Disseminate plan to all partners

Awardee HQ

10.3.7 Acknowledge receipt within 1 week and review

Issues?

YES

NO

10.3.8 Send issues letter to Awardee HQ

10.3.10 Send approved plan to Awardee

USAID/FFP

Send approved plan to Awardee
10.0 CLOSE-OUT

10.5 Implement commodity section of approved close-out plan

START

Commodity Management

- 10.5.1 Seek advice from USAID mission and FFP/POD; dispose of commodity per instructions

- 10.5.2 Dispose of assets with value >$5,000 at time of purchase and a remaining useful life of >1 year

- 10.5.3 Dispose of supplies with aggregate value >$5,000 and a remaining useful life of >1 year

- 10.5.4 Account for proceeds from sales of assets, supplies, or empty containers

- 10.5.5 Complete or waive all claims resulting from commodity loss

- 10.5.6 Complete transfer of funds to USDA/CCC, if applicable

- 10.5.7 Terminate remaining staff and service contracts according to all terms

END

Program Management

USAID

COP
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.1 Review compliance regulations and required donor approvals stated in Project Award document

A.2 Establish internal control systems

A.3 Implement quality oversight activities

A.4 Submit required commodity reports

Donor Approval CHECKLIST

Commodity Reporting Process GUIDELINES

Click here for all sub-process tools
## A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

### A.2 Establish internal control systems

**COP Program Management**

- **A.2.1** Establish commodity warehouse internal control system

**Commodity Management**

- **A.2.2** Establish commodity distribution internal control system

**Warehouse Management**

- **A.2.3** Establish standard procedures for handling commodity loss

**MIS/Monitoring Team**

- Distribution Oversight and Control CHECKLIST

- Warehouse Oversight and Control CHECKLIST

**Flow Chart**

START → A.2.1 → A.2.2 → A.2.3 → END
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.2.1 Establish commodity warehouse internal control system

COP

Program Management

Commodity Management

A.2.1.1 Develop policy for authorization of commodity receipt, dispatch, and reconstitution that ensures separation of duties

A.2.1.2 Establish system to maintain (and have available for audit inspection) records/documents for all transactions pertaining to the receipt, storage, inspection, processing, and dispatch of commodities

A.2.1.3 Develop standard procedures to control warehouse security and access

A.2.1.4 Develop standard procedures for commodity accounting, ensuring segregation of duties

A.2.1.5 Develop and print accounting templates and internal control documents (ongoing)

Dispatch Authorization TEMPLATE

Warehouse Documents CHECKLIST

Warehouse Access and Key Control CHECKLIST

GACAP Summary

Warehouse Ledger TEMPLATE

Commodity Stack Card TEMPLATE

Waybill TEMPLATE

Commodity Loss Report TEMPLATE
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.2.2 Establish distribution internal control system

COP

START

A.2.2.1 Develop policy for authorization of commodity distribution plans/lists to ensure that the numbers of recipients are commensurate with the levels stipulated in the Agreement

A.2.2.2 Establish system to maintain (and have available for audit inspection) records/documents pertaining to the distribution and use of commodities by recipients

A.2.2.3 Develop standard procedures to control commodity distribution to ensure that only intended recipients receive food

A.2.2.4 Ensure monitoring personnel are sufficiently independent of warehousing, recipient registration, distribution, and accounting functions

A.2.2.5 Update master recipient list as needed (for example, as recipients enter or graduate)

END

Program Management

MIS/Monitoring Team

Commodity Management
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.2.3 Establish standard procedures for handling commodity loss

Program Management

START

A.2.3.1 Develop SOP for handling, investigating, and reporting commodity losses in accordance with USAID regulations

A.2.3.2 Develop SOP for disposal of damaged commodity in accordance with USAID regulations

A.2.3.3 Ensure individuals who prepare a loss report are not the same as those who authorize changes in inventory records

A.2.3.4 Ensure staff understand their liability for loss of commodity under their control

A.2.3.5 Provide training on commodity loss SOP to all commodity (and relevant program) staff

A.2.3.6 Review loss reports to ensure accuracy and completeness of data, and reconcile against source documents, e.g., waybills, physical inventories, and distribution plans (ongoing)

A.2.3.7 Ensure resolution for all commodity loss claims (ongoing)

END

Commodity Management
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.3 Implement quality oversight activities

<table>
<thead>
<tr>
<th>Internal Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>START</td>
</tr>
<tr>
<td>A.3.1 Conduct internal audits of commodity management systems to ensure operational efficiency and accuracy in record keeping</td>
</tr>
<tr>
<td>A.3.2 Conduct independent or internal audits of Sub-Awardees, or include testing of Sub-Awardees in Awardee’s independent audit</td>
</tr>
<tr>
<td>END</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.3.3 Monitor operational environment</td>
</tr>
<tr>
<td>A.3.4 Monitor commodity burn rate and pipeline</td>
</tr>
<tr>
<td>A.3.5 Monitor warehouse and distribution systems</td>
</tr>
<tr>
<td>Ongoing</td>
</tr>
</tbody>
</table>

Commodity Management

: Commodity Management Audit CHECKLIST
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.3.5 Monitor warehouse and distribution systems

Program Management

A.3.5.1 Conduct periodic warehouse inspections

A.3.5.2 Conduct quarterly independent physical inventory of all commodity

A.3.5.3 Review books and records at sites maintained by Sub-Awardees and distribution agencies

A.3.5.4 Periodically verify recipient eligibility

A.3.5.5 Periodically review food distribution monitoring process

A.3.5.6 Conduct unscheduled visits to distribution sites to ensure standard procedures are followed

Commodity Management

A.3.5.7 Verify commodity dispatch, and subsequent distribution, is in agreement with distribution plans

A.3.5.8 Periodically review transport contracts and performance

A.3.5.9 Replace borrowed commodities with commodities transferred by USAID, per quantity and value agreed upon with USAID

START

Ongoing
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.3.5.2 Conduct quarterly physical inventory of all commodity

Program Management

START

A.3.5.2.1 Count commodity

A.3.5.2.2 Reconcile records (if necessary between warehouses)

Count matches accounting records?

NO → GO TO B.1

YES → END

Warehouse
Physical Inventory
Reconciliation
TEMPLATE
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.4 Submit required commodity reports

Program Management

START

A.4.1 Verify reporting requirements stated in the Award terms and conditions

A.4.2 Prepare periodic warehouse status reports

Commodity Management

A.4.3 Enter quarterly Commodity Status Report (CSR), Recipient Status Report (RSR), and (if any loss during quarter) Loss Summary Report (LSR) into QWICR

A.4.4 Enter quarterly Damage or Misuse Commodity Report (DMCR) into QWICR for any loss that exceeds $500

Warehouse Management

A.4.5 Submit PREP (recurs annually)

Creating a PREP Guidance 2015
PREP Process GUIDELINES for Commodity Managers

Ongoing

Go Back
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.4.5 Prepare and submit PREP (recurs annually)

Program Technical Sectors

START

A.4.5.1 Describe proposed use of commodity

A.4.5.2 Complete commodity management section of DIP

Commodity Management

A.4.5.3 Complete AER and commodity pipeline

Revisions to program plan?

YES

NO

Commodity Pipeline Analysis TEMPLATE

FFPMIS RESOURCES

USAID/FP

CM Budget Preparation WORKSHEET

FFPB 18-01 Eligible Uses of Section 202(e) for FFP Awards

FFPB 18-02 Eligible Uses of ITSH for FFP Awards

A.4.5.4 Submit TA modification request to FFP

A.4.5.5 Approve TA modification request

END

A.4.5.6 Sign TA modification

A.4.5.7 Submit PREP (in FFPMIS)

A.4.5.8 Approve PREP

COP

START

NO
B.0 INTERNAL LOSS

B.1 Commodity looks damaged or smells bad

B.1.1 If required by local USAID mission, send completed quality feedback loop per instructions

B.1.2 Collect samples and submit to qualified lab/person for analysis and certification regarding the condition of the commodity

Commodity is certified fit for human consumption?

YES

GO TO B.1.3

NO

Commodity is certified fit for other use?

YES

GO TO B.1.4

NO

Commodity is certified unfit for any use?

YES

GO TO B.1.5

NO

Units full weight?

YES

GO TO B.1.3

NO

GO TO 2

B.1.3

Accept commodity into warehouse stock (treated as reconstituted commodity) for intended use

END
**B.0 INTERNAL LOSS**

**B.1.4 Commodity is certified fit for other uses**

**Commodity Management**

- **START**
- **B.1.4.1** Determine alternative use and, if valued at $500 or more, request concurrence of USAID for disposition of commodities (with local authorities)

**Program Management**

- **Is sale possible?**
  - **YES**
    - **B.1.4.2** Obliterate, remove, or cross out all USG markings before sale
  - **NO**
    - **Is transfer possible?**
      - **YES**
        - **B.1.4.3** Sell (via approved tender process) for the most appropriate use at the highest obtainable price (with Procurement)
      - **NO**
        - **B.1.4.4** Transfer to an approved FFP program for use as nonfood, and notify AID/W of transfer

**Warehouse Management**

- **CAUTION**: Specific testing is needed to certify commodity is fit for animal consumption.
- **B.1.4.6** Complete a waybill, with the person purchasing or receiving the unfit commodity signing the receipt Information section

- **GO TO B.6**

**Disposal of Unfit Commodity GUIDELINES**

- **B.1.4.1** Determine alternative use and, if valued at $500 or more, request concurrence of USAID for disposition of commodities (with local authorities)

- **B.1.4.2** Obliterate, remove, or cross out all USG markings before sale

- **B.1.4.3** Sell (via approved tender process) for the most appropriate use at the highest obtainable price (with Procurement)

- **B.1.4.4** Transfer to an approved FFP program for use as nonfood, and notify AID/W of transfer

- **B.1.4.5** Donate to a governmental or charitable organization for nonfood use

- **B.1.4.6** Complete a waybill, with the person purchasing or receiving the unfit commodity signing the receipt Information section

**START**
B.0 INTERNAL LOSS

B.1.5 Commodity is certified unfit for any use

Commodity Management

START

B.1.5.1 Obtain approval from required local authorities

B.1.5.2 Determine destruction method

B.1.5.3 If valued at $500 or more, get USAID concurrence (in writing) for method of destruction, and request the presence of a USAID representative at the destruction

B.1.5.4 Assemble witnesses, including representative of local authorities

B.1.5.5 Destroy commodity

B.1.5.6 Complete Certificate of Commodity Destruction, and get witness signatures

B.1.5.7 Complete the receipt information on waybill, and ensure it is signed by the warehouse manager and independent person(s) witnessing the destruction

Program Management

B.1.5.8 Submit report to USAID with lab results, Certificate of Destruction, quantities of commodities, and method of destruction

GOTO B.6
B.0 INTERNAL LOSS

B.2 Commodity packaging units are underweight

START

B.2.1 If reconstitution costs will exceed $500, obtain approval from USAID in advance

B.2.2 Assemble reconstitution materials and casual laborers

B.2.3 Follow established controls

B.2.4 Open packaging and inspect commodity quality

B.2.5 Fill units to standard weight and resell

B.2.6 Return to inventory, stacking and accounting for reconstituted commodity separately from other commodity

B.2.7 Produce report

CONTINUE TO B.6
B.0 INTERNAL LOSS

B.3 Possible misappropriation of commodity

- **B.3.1** Inform USAID, and conduct internal investigation
  - **Internal irregularities found (misuse, unauthorized distribution, theft by staff)?**
    - **YES**
      - **B.3.2** Follow Awardee SOP
    - **NO**
      - **B.3.3** File police report
      - **B.3.4** Inform USAID, and follow their recommendations

CONTINUE TO B.6
B.0 INTERNAL LOSS

B.4 Discrepancy between quantity of commodity off-loaded and transporter’s waybill

- Record shortage on waybill
  - B.4.1

- Obtain signature on waybill from transporter/truck driver to acknowledge shortage
  - B.4.2

- Attach copy of waybill to claim for collection submitted to transporter per signed contract
  - B.4.3

CONTINUE TO B.6
B.0 INTERNAL LOSS

B.5 Quantity of commodity received at distribution site ≠ quantity of commodity distributed or returned

<table>
<thead>
<tr>
<th>Program Management</th>
<th>Commodity Management</th>
<th>Distribution Team</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>B.5.1 Investigate discrepancy</td>
<td>B.5.2 If investigation indicates scooping problems, recalibrate scoops and/or retrain scoopers</td>
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<tr>
<td></td>
<td>B.5.3 If investigation indicates criminal activity, file police report and notify USAID</td>
<td>CONTINUE TO B.6</td>
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</tbody>
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START

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**B.0 INTERNAL LOSS**

**B.9 File a claim against responsible third party**

1. **B.9.1** Establish a claim file and add claim info to loss claim register
2. **B.9.2** Send claim letter for value of commodity to responsible party
3. **B.9.3** Make reasonable attempts to collect claim
4. **B.9.4** Upload copies of all follow-up claim letters and other relevant claim information in QWICR

Cost to pursue legal action higher than cost of claim?

- **NO**
  - **B.9.5** Initiate legal action if necessary

- **YES**
  - **GO TO B.8**

**CONTINUE TO B.11**
Resources (Additional TOOLS)

- FFP MIS PREP Training Slides
- Fumigation PEA Tool Annexes
- GACAP (Generally Accepted Commodity Accountability Principles)
- Managing the Supply Chain of Specialized Nutritious Foods (WFP)
- OIG Fraud Indicators
- OMB Uniform Cost Principles and Audit Requirements for Federal Awards
- PREP Guidance 2017
- Preventing Corruption in Humanitarian Operations
- The Essential Guide to Managing Your USAID Award
- TOPS Commodity Management Handbook
- USAID ADS Chapter 203 Assessing and Learning
- USAID ADS Chapter 320 Branding and Marking
- USAID Regulation 11 (22 CFR CH II) Part 211
- USAID Regulation 11 (22 CFR CH II) Part 226