Commodity Management Toolkit

Version V2.2 January 2019
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 assistance program 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 contents of this toolkit do not necessarily reflect the views of USAID or the United States Government.
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.

**Next**
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. Click the green box to access the TOOL. It will open in a new window. Save the TOOL to your computer, and adapt it to your local context.
Commodity Management Interactive Life-Cycle Process Maps

Signed Award

1.0 Project Start-Up -> 2.0 Sales Order -> 3.0 Procurement

A.0 Internal Control and Quality Oversight

9.0 Food Distribution Monitoring

8.0 Distribution -> 7.0 Warehousing -> 6.0 Transport

B.0 Internal Losses

4.0 Ocean Shipment

5.0 Port Operations

10.0 Close-Out

END

Go To:
Overview page

Go To:
RESOURCES page
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

Freight Forwarder Agreement EXAMPLE

Program Management

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

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

Commodity Management

1.4.3 Validate port assessment, even if TB/L used

Port Assessment CHECKLIST

Clearing & Forwarding Agent CHECKLIST

Clearing & Forwarding Agent Agreement EXAMPLE

Clearing & Forwarding on TB/L Agreement EXAMPLE

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

Independent Surveyor CHECKLIST

Independent Surveyor Agreement EXAMPLE

Independent Surveyor on TB/L Agreement EXAMPLE

END
1.0 PROJECT START-UP

1.6 Establish written agreements with agencies that will distribute commodity

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

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

- 1.7.1 Clarify targeting (eligibility) criteria stated in proposal
- 1.7.2 Ensure baseline questions capture information on eligibility
- 1.7.3 Analyze baseline data on eligibility
- 1.7.4 Use data to map out distribution centers

END
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

---

**Program Monitoring Team**

- Project monitoring team leader hired

**Program Management**

- Food Distribution Monitoring System GUIDELINES
- A Practical Guide to Sampling

**Commodity Management**

- On-Site Distribution Monitoring Questionnaire TEMPLATE
- Distribution Site Storage Monitoring Questionnaire TEMPLATE
- Post-Distribution Monitoring Questionnaire TEMPLATE

**Community Feedback & Complaint Mechanism GUIDELINES**

END
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**

- 1.10.2 Mobilize community input for recipient registration
- 1.10.3 Identify provisional recipients, based on eligibility criteria stated in Agreement and baseline
- 1.10.5 Verify and register recipients
- 1.10.6 Identify distribution sites

**Community and Local Stakeholders**

- Distribution Site Identification GUIDELINES

**MIS/Monitoring Team**

- Recipient Ration or ID Card TEMPLATE
- Recipient Registration GUIDELINES

- 1.10.4 Ensure ration/ID cards comply with approved donor branding plan
- 1.10.7 Issue recipient ration/ID cards against some form of identification
- 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

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

TA modification necessary?

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

FFPMIS RESOURCES

CM Budget Preparation WORKSHEET

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

COP

1.11.3

1.11.4

Submit TA modification request to FFP

1.11.5

Approve TA modification request

1.11.6

Sign TA modification

END

TA modification necessary?

YES

NO
2.0 SALES ORDER

**Commodity Management**
- Commodity needed in 3 to 6 months
  - Rerun latest commodity calculator (updated by USAID) and compare to budget to ensure funding availability

**Awardee HQ**
- Enter sales order (SO) in WBSCM

**Freight Forwarder**
- Through bill of lading?
  - YES
    - Contract inland transportation to final destination (see 6.0)
  - NO
    - Re-run latest commodity calculator (updated by USAID) and compare to budget to ensure funding availability

**USAID**
- Mission generates concurrence cable (or notes in free text field on SO)
- AOR notifies FFP/POD of SO number via email

**USDA**
- Approve SO

**Guidelines**
- Commodity Calculator
- Online Access GUIDELINES
- Sales Order Preparation CHECKLIST
- Inland Transport Agreement EXAMPLE

**Go Back**
2.0 SALES ORDER

2.6 Approve sales order

START

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)

Revisions needed?

YES

2.6.3 Revise and resubmit

NO

2.6.4 DACO provides final approval within 2 weeks

END
2.0 SALES ORDER

2.6.4 DACO provides final approval

USDA

START

2.6.4.1 Validate sanitary and phytosanitary import requirements for host (and, if applicable, transit) countries

2.6.4.2 Approve policy implications and certifications

2.6.4.3 Route SO to USDA/FSA/KCCO

END
3.0 PROCUREMENT

**USDA**
- Sales order approved
- Create tender(s) → 3.1
- Award contract(s) → 3.2
- Administer contract(s) → 3.3
- GO TO 4.0: Ocean Shipment

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

**Commodity Management**
- Expedited Commodity Procurement GUIDELINES
- GO TO 5.0: Port Operations

**Freight Forwarder**
- Ocean shipment involved? → YES: GO TO 6.0: Transport; NO: 3.6
- Transport

**Go Back**
3.0 PROCUREMENT

3.1 Create tender

SO routed from DACO

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
3.0 PROCUREMENT

3.2 Award contract(s)

**USDA/KCCO**

1. Offers (bids) received (via WBSCM) from vendors

   - 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

   - 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

**USAID/FFP**

- Go to 3.3
### 3.0 PROCUREMENT

#### 3.3 Administer contract(s)

<table>
<thead>
<tr>
<th>Vendors</th>
<th>USDA/KCCO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contracts released to vendors</strong></td>
<td><strong>3.3.1</strong> Define shipping periods based on dates in invitation (within 3 days after award)</td>
</tr>
<tr>
<td><strong>3.3.2</strong> Post CAR (cargo availability report for booking vessel) on website (within 1 week after flagging)</td>
<td><strong>3.3.3</strong> Provide unique documents to Awardee freight forwarder</td>
</tr>
</tbody>
</table>

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)

NO

3.4.3 Seek approval/concurrence from AOR

Swap or loan approved?

YES

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

AOR sends swap or loan agreement to Awardee

NO

3.4.6 Arrange logistics to move commodity to warehouse

COP

USAD/FFP

GOTO 3.6

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

- **USDA/FFP**
  - 3.6.2 [AOR] Approve and notify mission
    - 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**
  - 3.6.3 Notify USAID/POD
    - Ocean shipment involved?
      - YES
        - 3.6.4 Notify OAA/T
      - NO
        - GO TO 6.0: Transport
  - 3.6.6
    - GO TO 5.0: Port Operations

Notes:
- Swap or loan not feasible
- Ocean shipment involved
4.0 OCEAN SHIPMENT

USAID/FFP

Freight Forwarder

Sales order approved

Awardee HQ

Create tender (RFP)

4.2 Review offers (bids)

Award contract

Ocean Carrier

Commodity Vendors

4.4 Deliver cargo to U.S. port

4.5 Load cargo

GO TO 5.0: Port Operations
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

4.1.3 Compile and post Freight RFP Requirements Summary on USAID website

START

GO TO 4.2

USAID
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

Incoterms Quick Reference CHART

Freight Forwarder

Awardee HQ

USAID

USDA

Ocean Carrier

Freight RFP posted on USAID website

Go Back
4.0 OCEAN SHIPMENT

4.3 Award contract

Freight Forwarder

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)

Awardee HQ

Freight award finalized

USAID

GO TO 4.4
4.0 OCEAN SHIPMENT

4.4 Deliver cargo to U.S. port

Awardee HQ

Freight Forwarder

NOTICE

Vessel at port according to agreed shipping schedule?

NO

YES

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

USDA

4.4.2
[KCCO] Determine disposition of scheduled commodity

4.4.3

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

4.4.4

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

4.4.6

GOTO 4.5
4.0 OCEAN SHIPMENT

4.5 Load cargo

USDA

START

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

Freight Forwarder

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)

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

GO TO 5.0: Port Operations

Ocean Carrier

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

Bulk commodity?

GO Back
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)
5.0 PORT OPERATIONS

5.3 Process all necessary clearances

Commodity Management

5.3.1 Establish (and maintain) shipment file for all documents

5.3.2 Gather required agency and shipping documents from HQ

C&F Agent

5.3.3 Apply for customs clearance

Through bill of lading?

YES

5.3.4 Obtain authorization in all transit countries

NO

5.3.5 Obtain health certificates and other clearances from government officials

END

At least 1 month in advance of vessel arrival

Shipping Documents CHECKLIST
5.0 PORT OPERATIONS

5.5 Prepare for vessel arrival

5.5.1 Check updates on vessel movement weekly

5.5.2 Maintain regular communication with port authorities (ongoing)

5.5.3 Inform U.S. freight forwarder of potential delays at port (due to strikes, weather, or port congestion)

5.5.4 If bulk commodity, finalize storage and bagging facilities with port officials

5.5.5 Confirm berth with shore captain, and obtain port passes

5.5.6 Ensure internal transport schedule matches vessel arrival

5.5.7 If necessary, prepare transit warehouse to receive cargo

5.5.8 Prepare final warehouse to receive cargo

Vessel departs from U.S. port

Goto 5.6
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?

5.6.4
Move commodity to quarantine warehouse at port

5.6.5 [Customs Officials]
Process bill of entry

YES

GO TO 5.7

NO

Vessel arrives

C&F Agent

Local Officials

Ocean Carrier

Independent Surveyor
5.0 PORT OPERATIONS

5.6.4 Move commodity to quarantine warehouse (upon vessel arrival)

Ocean Carrier
- Fumigation required
  - 5.6.4.1 Arrange quarantine warehouse and discharge commodity

C&F Agent
- Bulk commodity?
  - NO 5.6.4.9 Tally actual number of break bulk units discharged by stevedores
  - YES
    - 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
    - 5.6.4.5 Calculate quantity of cargo lost during discharge, and specify how such losses occurred

Independent Surveyor
- 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
- 5.6.4.10 Arrange and conduct fumigation
- 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 → GOTO 5.7.1

NO

Containerized commodity? YES → GOTO 5.7.2

NO → GOTO 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

5.7.2 Discharge CONTAINERIZED commodity from vessel

START

Independent Surveyor

5.7.2.1 Tally actual number of containers discharged by stevedores

5.7.2.2 Move containers to container yard

5.7.2.3 Record container and seal numbers, verify numbers with B/L, and inspect seals for tampering

Evidence of tampering?

YES

5.7.2.4 If tampering on vessel, notify ocean carrier and port and customs officials; if tampering at port, follow local laws

NO

5.7.2.5 Examine contents

Local Officials

5.7.2.6 Reseal containers and draft discharge survey

GOTO 5.7.2.8

C&F Agent

5.7.2.7 Ship containers to warehouse

GOTO 7.3: Receive commodity (at warehouse)

GOTO 5.8

5.7.2.8 Tally actual number of break bulk units removed from container

Containers destuffed at port?

YES

GO TO 7.3: Receive commodity (at warehouse)

NO

Tally actual number of containers discharged by stevedores

Receive commodity (at warehouse)
5.0 PORT OPERATIONS

5.7.3 Discharge BREAK BULK commodity from vessel

START

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
5.0 PORT OPERATIONS

5.8 Inspect commodity

START

5.8.1 Immediately separate damaged, underweight, or overweight units from other stock

Commodity looks or smells bad?

YES

GOTO 5.8.2

NO

5.8.3 Sample unit weight for uniformity

Units underweight?

YES

5.8.8 Complete delivery survey report

NO

5.8.4 Reconstitute

5.8.5 Complete reconstitution report (for reimbursement of cost)

Commodity on a through bill of lading?

YES

GOTO 5.9

NO

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

5.8.7 Complete loss report

GO TO 5.8.2

Notice of Loss (Letter of Protest) EXAMPLE

Marine Reconstitution GUIDELINES
5.0 PORT OPERATIONS

5.8.2 Commodity looks or smells bad

Independent Surveyor

START

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

Notice of Loss (Letter of Protest) EXAMPLE

Commodity Management

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

Commodity Analysis GUIDELINES

C&F Agent

CONTINUE TO 5.8.3

YES

Certification states commodity unfit for human consumption?

5.8.2.3 Dispose of commodity in manner agreed upon with USAID

Disposal of Unfit Commodity GUIDELINES

NO

Commodity destroyed?

5.8.2.4 Complete certificate of commodity destruction

Certificate of Commodity Destruction TEMPLATE

5.8.2.5 Complete loss report

NO

YES

Go Back
5.0 PORT OPERATIONS

5.9 Dispatch commodity from port

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?

5.9.8 Complete loss report

5.9.9 File claim against port and collect reimbursement

END

NO

START

Go Back
5.0 PORT OPERATIONS

5.10 Complete discharge survey report

START

Independent Surveyor

5.10.1 Compare discharge tally to port/vessel tally, and reconcile differences

Reconciled tally > bill of lading?

YES

Reconciled tally < bill of lading?

NO

NO

5.10.2 Notify HQ of receipt of quantities > 5% of normal tolerance B/L for packaged (or >2% of B/L for bulk)

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

Notice of Loss (Letter of Protest)
EXAMPLE

5.10.6 Complete loss report

5.10.7 Obtain copies of all port documents, and attach to discharge survey report

5.10.8 Submit final discharge (ex-tackle) survey report

5.10.4 If applicable, request additional ITSH funds to cover excess landed commodity

C&F Agent

Commodity Management

5.10.3 Request clearance for additional commodity, and arrange additional transport

5.10.9 Promptly initiate claims against ocean carrier for damage/loss

END

COP

Marine Loss Claim GUIDELINES
5.0 PORT OPERATIONS

5.10.9 Promptly initiate claims against ocean carrier for damage or loss

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

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

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

END
6.0 TRANSPORT

Logistics

Commodity Management

6.1 Determine transport needs

6.2 Prepare tender(s)

6.3 Award contract(s)

6.4 Administer contract(s)

Program Management

Procurement

Transport Contracting GUIDELINES

START

END
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

START

GOTO 6.2
## Vehicle Inspection

### CHECKLIST

<table>
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<tr>
<th>Task</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.0</td>
<td>TRANSPORT</td>
</tr>
<tr>
<td>6.3</td>
<td>Award contract(s)</td>
</tr>
</tbody>
</table>

#### 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**

**START**
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
6.0 TRANSPORT

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

**Commodity Management**

- **6.4.5** Provide feedback to Program, budget holder, and Procurement

**Program Management**

END
7.0 WAREHOUSING

Program Management

- 7.1 Establish warehouse(s)
- 7.2 Hire warehouse staff

Commodity Management

- 7.1 Commodity manager hired
- 7.3 Receive commodity
- 7.4 Maintain commodity in good condition

Warehouse Management

Commercial processing required?
- YES: 7.5 Process commodities into different end products (e.g., flour)
- NO: 7.6 Dispatch commodity

Casual Labor

Commodity Dispatch GUIDELINES
Dispatch Authorization TEMPLATE

Go TO 8.0: Distribution
7.0 WAREHOUSING

7.1 Establish warehouse(s)

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

START

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

END
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

START → END
7.0 WAREHOUSING

7.3 Receive commodity

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

END
7.0 WAREHOUSING

7.3.1 Prepare for receipt of commodity

- **START**
  - 7.3.1.1 Lay out pallets
  - Warehouse Storage Capacity for Commodities GUIDELINES

- 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
  - Casual Labor Recording TEMPLATE

**END**
7.0 WAREHOUSING

7.3.2 Inspect and count commodity

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

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

Commodity looks or smells bad?

GO TO B.1: Commodity quality issues

NO

Packaging damaged or units underweight/overweight?

GO TO B.2: Reconstitution

NO

Tally sheet quantity < waybill quantity?

GO TO B.4: Discrepancy with waybill

NO

Sign waybill

START

Vehicle Inspection CHECKLIST

Commodity Tally Sheet TEMPLATE

Commodity Random Weight TEMPLATE

GO TO B.1: Commodity quality issues

GO TO B.2: Reconstitution

GO TO B.4: Discrepancy with waybill

END

7.3.2.5 Sign waybill

7.3.2.6 Complete delivery survey (if TB/L)

7.3.2.7 Go Back

Waybill TEMPLATE
7.0 WAREHOUSING

7.3.3 Account for commodity received

**Warehouse Management**

1. **START**

2. **7.3.3.1** Stack commodity according to requirement standards

3. **7.3.3.2** Conduct physical count

4. **7.3.3.3** Complete stack cards

5. **7.3.3.4** Update warehouse ledger

6. **7.3.3.5** Prepare casual laborer payment sheets, and submit to Finance

**END**

**Casual Labourers**

- Commodity Stacking GUIDELINES

- Commodity Stack Card TEMPLATE

- Warehouse Ledger TEMPLATE

- Casual Labor Recording TEMPLATE
7.0 WAREHOUSING

7.4 Maintain commodity in good condition

**Commodity Management**

- **ONGOING**

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

- Commodity Damage Control GUIDELINES

- Warehouse Cleaning Plan TEMPLATE

- Warehouse Fire Prevention and Control CHECKLIST

**Warehouse Management**

- 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?**
  - YES
    - END
  - NO
    - **GO TO 8.3: Possible misappropriation**

**Casual Labor**

- Commodity Stack Inspection CHECKLIST
7.0 WAREHOUSING

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

- Indication of infestation? NO
  - Indication of rodents? NO
  - Containers are damaged? NO
  - Commodity looks or smells bad? NO
    - END
  - Containers are damaged? YES
    - Notify pest/rodent control service
    - GO TO B.2: Reconstitution
  - Commodity looks or smells bad? YES
    - Notify fumigation service
    - GO TO B.4: Reconstitution
- Indication of infestation? YES
  - Notify fumigation service
  - GO TO B.4: Reconstitution
- Commodity Management
  - Commodity looks or smells bad?
    - GO TO B.1: Quality issues
- Warehouse Management
  - Containers are damaged?
    - Notify pest/rodent control service
    - GO TO B.2: Reconstitution
  - Commodity looks or smells bad?
    - Notify fumigation service
    - GO TO B.4: Reconstitution
- Casual Labor
  - If necessary, restack commodity
  - GO TO B.1: Quality issues

Overview of Phosphine Fumigation Management Plan TEMPLATE
7.0 WAREHOUSING

7.5 Process commodity into different end product

**START**

**Program Management**

7.5.1 Ensure USAID approval for processing (such as grain milling)

7.5.2 Enter into written agreement with commodity processor

**Commodity Management**

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

**END**

Go Back
7.0 WAREHOUSING

7.6 Dispatch commodity

- **Logistics**
  - ONGOING
  - 7.6.1: Monitor weather conditions and other accessibility or programmatic factors, and consider pre-positioning commodity

- **Commodity Management**
  - Dispatch authorization/distribution plan received
  - 7.6.2: Prepare dispatch

- **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

Additional documents:
- Warehouse Documents CHECKLIST
- Warehouse Daily Report TEMPLATE
- Commodity Movement Monthly Report TEMPLATE

END
7.0 WAREHOUSING

7.6.2 Prepare dispatch

7.6.2.1 (If necessary) Develop dispatch plan

7.6.2.2 Share dispatch plan with transporter

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

7.6.2.5 If necessary, pre-package or pre-position commodity

Commodity Prepackaging GUIDELINES

START

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

Vehicle Inspection CHECKLIST

Commodity Tally Sheet TEMPLATE

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

Casual Labor Recording TEMPLATE

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

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

Plan before every distribution

Receive commodities at distribution site

Set up distribution site

Distribute commodity

Report on distribution
8.0 DISTRIBUTION

8.2 Plan before every distribution

8.2.1 Prepare distribution plan, referencing DIP, and submit to warehouse management and distribution team

8.2.2 Verify eligibility and update distribution list (subset of master recipient list)

8.2.3 Verify stock availability

8.2.4 Finalize distribution plan

8.2.5 Arrange for commodity transport to distribution sites

8.2.6 Inform recipients about distribution details (who, where, when, and how much)

8.2.7 Assign people to perform unloading, scooping, and crowd control tasks

8.2.8 Locate and/or ensure secure site storage

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

- Distribution Team
  - 8.3.1 Tally commodity as it is off-loaded, and randomly weigh containers in presence of transporter and local stakeholders.
  - 8.3.2 Record discrepancy (and information on losses) on waybill.
  - Tally matches quantity stated on waybill?
    - NO
    - 8.3.2
    - Sign waybill
    - 8.3.3 Set up commodity for distribution or move to (and record in) site storage
    - END
  - YES
  - 8.3.3
  - Sign waybill
  - 8.3.4 Set up commodity for distribution or move to (and record in) site storage
  - END

- Local Stakeholders
  - Commodity arrives at distribution site

Go Back
8.0 DISTRIBUTION

8.4 Set up distribution site

<table>
<thead>
<tr>
<th>Distribution Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>START</td>
</tr>
<tr>
<td>8.4.1 Assemble distribution materials</td>
</tr>
<tr>
<td>8.4.2 Arrange site, ensuring minimum standards and donor branding compliance</td>
</tr>
<tr>
<td>8.4.3 Set up feedback/complaint mechanism</td>
</tr>
<tr>
<td>END</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Site Set-Up CHECKLIST</td>
</tr>
<tr>
<td>USAID Branding and Marking GUIDELINES</td>
</tr>
</tbody>
</table>
8.0 DISTRIBUTION

8.5 Distribute commodity

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

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

8.5.7 Dispose of empty containers per established procedures

Quantities reconcile? YES

NO

GOTO 8.5

END

Local Stakeholders

Distribution Team

START
8.0 DISTRIBUTION

8.6 Report on distribution

<table>
<thead>
<tr>
<th>Program Management</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.6.1 Prepare distribution report</td>
</tr>
<tr>
<td></td>
<td>8.6.2 Approve distribution report</td>
</tr>
<tr>
<td></td>
<td>8.6.3 If possible, debrief community on distribution</td>
</tr>
<tr>
<td></td>
<td>8.6.4 Make recipient projections for next distribution period</td>
</tr>
<tr>
<td></td>
<td>END</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distribution Team</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution is completed</td>
<td></td>
</tr>
<tr>
<td>8.6.3 If possible, debrief community on distribution</td>
<td></td>
</tr>
<tr>
<td>END</td>
<td></td>
</tr>
</tbody>
</table>

REPORT TEMPLATE
9.0 FOOD DISTRIBUTION MONITORING

Program Management

Commodity Management

Program Monitoring Team Leader

Program Monitoring Team Monitors

Local Stakeholders

START

9.1 Procure monitoring equipment and materials

9.2 Train monitors

9.3 Finalize monitoring schedule

9.4 Per schedule, collect data at distribution sites

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

9.6 Synthesize completed questionnaires and produce monitoring report

9.7 Process community feedback and complaints on distribution process

Food Distribution Monitoring Follow-Up Issues Tracking Sheet TEMPLATE

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

END

Focus Group Discussions GUIDELINES
9.0 FOOD DISTRIBUTION MONITORING

9.3 Finalize monitoring schedule

- **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?**
    - **YES**
      - 9.3.3 Share schedule with community committee
      - 9.3.4 Assign community roles and responsibilities
    - **NO**
      - 9.3.5 Verify logistics to implement schedule

- **END**
9.0 FOOD DISTRIBUTION MONITORING

9.4 Per schedule, collect data at distribution sites

**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

**Local Stakeholders**

- 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

**START**

**END**
## 9.0 FOOD DISTRIBUTION MONITORING

### 9.6 Synthesize completed questionnaires and produce monitoring report

<table>
<thead>
<tr>
<th>Program Monitoring Team Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9.6.1</strong> Submit completed monitoring questionnaires to team leader</td>
</tr>
<tr>
<td><strong>Distribution completed</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Monitoring Team Monitors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9.6.2</strong> Enter monitoring data into electronic system</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9.6.3</th>
<th>Collate data with information collected from community (e.g., help desk) and distribution team observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.6.4</td>
<td>Synthesize completed forms, and produce distribution monitoring report within time frame set for report production</td>
</tr>
<tr>
<td>9.6.5</td>
<td>Submit reports to Program Management, Commodity Management, and Community Committee</td>
</tr>
</tbody>
</table>

**END**
10.0 CLOSE-OUT

**Distribution Team**

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

**COP**

- **10.1** Prepare for close-out

**Program Management**

- **10.2** Produce commodity section of close-out plan

**Commodity Management**

- **10.3** Develop and submit close-out plan

- **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

**End**
10.0 CLOSE-OUT

10.1 Prepare for close-out

START

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
  - 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)

**Program Management**

- 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

10.3.11 Disseminate plan to all partners

COP

10.3.5 Finalize and submit draft plan to Awardee HQ

10.3.6 Approve and submit to FFP/W and mission

Awardee HQ

10.3.7 Acknowledge receipt within 1 week and review

Issues?

YES

10.3.8 Send issues letter to Awardee HQ

NO

10.3.9 Address issues and resubmit

10.3.10 Send approved plan to Awardee

10.3.11 Disseminate plan to all partners

USAID/FFP
10.0 CLOSE-OUT

10.5 Implement commodity section of approved close-out plan

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

- **COP**
  - 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

- **Commodity Management**
  - Sound commodity balance anticipated?
    - YES
      - 10.5.1
    - NO
      - 10.5.2

- **Program Management**
  - Asset Inventory
  - Disposition TEMPLATE

START

END
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

Ongoing
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.2 Establish internal control systems

COP

Program Management

Commodity Management

Warehouse Management

MIS/Monitoring Team

START

A.2.1 Establish commodity warehouse internal control system

A.2.2 Establish commodity distribution internal control system

A.2.3 Establish standard procedures for handling commodity loss

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

START

END
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.2.2 Establish distribution internal control system

COP

Program Management

START

MIS/Monitoring Team

Commodity Management

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
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.2.3 Establish standard procedures for handling commodity loss

**Program Management**

- **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)

**Commodity Management**

**END**
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.3 Implement quality oversight activities

**A.0 INTERNAL CONTROL and QUALITY OVERSIGHT**

**A.3 Implement quality oversight activities**

- **A.3.1** Conduct internal audits of commodity management systems to ensure operational efficiency and accuracy in record keeping
- **A.3.2** Conduct independent or internal audits of Sub-Awardees, or include testing of Sub-Awardees in Awardee's independent audit

**Commodity Management Audit CHECKLIST**

- **A.3.3** Monitor operational environment
- **A.3.4** Monitor commodity burn rate and pipeline
- **A.3.5** Monitor warehouse and distribution systems

**Program Management**

**Commodity Management**

**Internal Audit**

START ➔ A.3.1 ➔ A.3.2 ➔ END

- Monitor warehouse and distribution systems

Ongoing
A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

A.3.3 Monitor operational environment

A.3.3.1 Review list of eligible U.S. agricultural commodities posted by USAID

A.3.3.2 Monitor commodity markets in host country

A.3.3.3 Monitor commodity import policy in host country

A.3.3.4 Coordinate with host government on acceptability of second-choice commodities

A.3.3.5 Review annual (fiscal year) call forward (sales order) schedule posted by USAID

Pre-approved commodity available and acceptable?

YES

NO

A.3.3.6 Inform Awardees of other recipients of USG-donated food commodities in their region

A.3.3.7 Coordinate with other Awardees in region to time sales orders

Ongoing

Go Back
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?

- YES → END
- NO → GO TO B.3
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.4.3 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

A.4.5 Submit PREP (recurs annually)

Commodity Management

A.4.2 Prepare periodic warehouse status reports

Warehouse Management

Ongoing

Creating a PREP Guidance 2015
PREP Process GUIDELINES for Commodity Managers
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
  - A.4.5.4 Submit TA modification request to FFP
  - A.4.5.5 Approve TA modification request

- NO

COP

- A.4.5.6 Sign TA modification
  - A.4.5.7 Submit PREP (in FFPMIS)
  - A.4.5.8 Approve PREP

USAID/FFP

- END

FFPMIS RESOURCES

- Eligible Uses of Section 202(e) for FFP Awards
- Eligible Uses of ITSH for FFP Awards
- Commodity Pipeline Analysis TEMPLATE
- CM Budget Preparation WORKSHEET

Go Back
**B.0 INTERNAL LOSS**

**Commodity Management**

- **Commodity looks damaged or smells bad**
  - **GOTO B.1**

- **Commodity bags/tins/cartons are underweight**
  - **GOTO B.2**

- **Commodity missing**
  - **GOTO B.3**

- **Difference between quantity of commodity off-loaded and quantity stated on transporter's waybill**
  - **GOTO B.4**

- **Difference between quantity of commodity received at distribution site and quantity of commodity distributed or returned**
  - **GOTO B.5**

**Commodity Management**

- **B.6 Complete loss report, and reconcile commodity ledger**
  - **YES**
    - **B.7 Record loss in QWICR**
    - **NO**
      - **QWICR Users’ Guide**

  - **Loss value less than $500?**
    - **YES**
      - **B.8 Upload supporting documents in QWICR, and get concurrence from USAID**
    - **NO**
      - **Requesting a waiver from USAID?**
        - **Awardee is liable?**
          - **NO**
            - **File a claim against responsible third party**
          - **YES**
            - **Third party reimburses?**
              - **YES**
                - **B.9**
              - **NO**
                - **B.10 Reimburse CCC according to SOP**

  - **Loss value more than $500?**
    - **YES**
      - **B.11 Pursue claim against third party**
    - **NO**
      - **B.12 Close claim**

**Warehouse Management or Distribution Team**

**Commodity Loss Report TEMPLATE**

**Go Back**
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

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

B.1.3 Accept commodity into warehouse stock (treated as reconstituted commodity) for intended use

END

NO

GO TO B.2

START

- Commodity Feedback Loop
- Simple Timeline
- Complex Timeline
- Quality Report

Warehouse Management
**B.0 INTERNAL LOSS**

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

1. **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).

2. **Is sale 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.

3. **Is transfer possible?**
   - **Yes**
     - **B.1.4.4** Transfer to an approved FFP program for use as nonfood, and notify AID/W of transfer.
   - **No**
     - **B.1.4.5** Donate to a governmental or charitable organization for nonfood use.

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

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

**CAUTION:** Specific testing is needed to certify commodity is fit for animal consumption.
B.0 INTERNAL LOSS

B.1.5 Commodity is certified unfit for any use

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

Go TO B.6
B.0 INTERNAL LOSS

B.2 Commodity packaging units are underweight

**Program Management**

START

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

**Commodity Management**

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 reseal

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

**Warehouse Management**

B.2.7 Produce report

CONTINUE TO B.6

Commodity Reconstitution Report TEMPLATE
B.0 INTERNAL LOSS

B.3 Possible misappropriation of commodity

START

Commodity Management

B.3.1 Inform USAID, and conduct internal investigation

Internal irregularities found (misuse, unauthorized distribution, theft by staff)?

NO

B.3.3 File police report

CONTINUE TO B.6

YES

B.3.2 Follow Awardee SOP

B.3.4 Inform USAID, and follow their recommendations

Program Management/COP
B.0 INTERNAL LOSS

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

- **B.4.1** Record shortage on waybill
- **B.4.2** Obtain signature on waybill from transporter/truck driver to acknowledge shortage
- **B.4.3** Attach copy of waybill to claim for collection submitted to transporter per signed contract

CONTINUE TO B.6
B.0 INTERNAL LOSS

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

Program Management

Commodity Management

START → B.5.1 Investigate discrepancy → B.5.2 If investigation indicates scooping problems, recalibrate scoops and/or retrain scoopers →

If investigation indicates criminal activity, file police report and notify USAID → CONTINUE TO B.6

Distribution Team
B.0 INTERNAL LOSS

B.9 File a claim against responsible third party

START

B.9.1 Establish a claim file and add claim info to loss claim register

B.9.2 Send claim letter for value of commodity to responsible party

B.9.3 Make reasonable attempts to collect claim

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?

YES

NO

B.9.5 Initiate legal action if necessary

GOTO B.8

CONTINUE TO B.11
Resources (Additional TOOLS)

- FFPMIS 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