*If an Awardee causes loss or damage to a commodity through any act or omission or failure to provide proper storage, care, and handling, the* ***Awardee shall pay to the United States the value of the commodities*** *lost or damaged, unless USAID determines that such loss or damage, could not have been prevented by proper exercise of the Awardee's responsibility. In determining whether there was a proper exercise of the Awardee 's responsibility, USAID shall consider normal commercial practices in the country of distribution and the problems associated with carrying out programs in developing countries.*

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| **Policy** (non-negotiable) | |
| ⬜ | Inform all managers of the donor regulations governing the control of USG-donated food commodities. |
| ⬜ | Warehouse staff, or others in direct control of commodity, **never** draft or approve distribution plans, determine where commodity will be sent, nor authorize commodity dispatch on their own. |
| ⬜ | At minimum, staff not directly connected to the warehouse operations conduct and reconcile a quarterly warehouse physical inventory. |
| **Recommended Standard Operating Procedures** (may vary depending on warehouse context) | |
| ⬜ | All staff authorized to receive, dispatch, reconstitute, and dispose of commodity know that they may be held financially responsible for everything for which they **sign**, regardless of the actual quantity and quality. |
| ⬜ | Warehouse managers review all source documents (receiving waybills, dispatch waybills, and loss reports) before entering data in ledgers, to ensure each has been authorized by the person delegated with that responsibility. |
| ⬜ | The person(s) authorized to sign distribution plans is/are specified. |
| ⬜ | The person(s) authorized to sign dispatch authorizations is/are specified. |
| ⬜ | The individuals who will control, prepare, and sign waybills are specified. |
| ⬜ | The person(s) authorized to approve the reconstitution of damaged commodity is/are specified. (For small amounts of inventory, this may be the warehouse manager.) |
| ⬜ | The person(s) authorized to approve the disposal of commodity unfit for human consumption is/are specified. |
| ⬜ | The person(s) who will compare quantities, dates, and signatures of **waybills** to corresponding transporters’ invoices in order to identify losses or overcharges, and who will promptly document and resolve any discrepancies is/are specified. |
| ⬜ | The person(s) who will reconcile ledgers with physical inventory counts and ensure any differences are adjusted by authorized staff is/are specified. |
| ⬜ | Managers (not directly connected to the warehouse operations) conduct periodic unannounced site visits to warehouses (including those of recipient agencies) to spot-check procedure compliance and conduct random physical counts of stored commodity. |
| ⬜ | A monthly warehouse inspection report is completed, and all necessary follow-up actions are implemented in a timely manner. |
| ⬜ | The frequency and content of warehouse status reports is determined, and warehouse management staff are informed of their responsibility. |
| ⬜ | All reports produced by commodity management personnel are reviewed to ensure accuracy and completeness of data, and reconciliation against source documents (e.g., waybills, physical inventories and distribution reports). |