



## Inventory Record Instructions

Sponsors that prepare their own meals must, at a minimum, take a beginning and ending inventory of both food and nonfood items. This is to enable sponsors to accurately report food and nonfood supply costs incurred during the course of the SFSP. The Inventory Record may be used for this purpose.

A physical count should be conducted of any purchased food and supplies which were on hand before the Program began, if these food/supplies will be used in the Summer Program. The dollar value of the food/supplies is the beginning inventory.

At a minimum, on the last operating day of the Program, an inventory must be conducted of remaining food/supplies.

The value of purchased food and nonfood supplies utilized during the Program, as determined by purchase receipts and the beginning and ending inventory forms, should be included in total food and non-food costs reported on the claim for reimbursement. Only the amount paid for or related to obtaining USDA Commodities and other low cost food donations (not the market value) can be reported as Summer Program costs. Those costs associated with the distribution, storage and handling of food may be summarized and added to the purchase price of the food, only if the costs were not included in the original purchase of the items.

In calculating the dollar value of the inventory, use the original price of each item (can, pound, etc.), less any credits.

Inventory adjustments must be made when loss of food in stock results from fire, water damage, spoilage or other than normal usage. An inventory record should be made to document the amount of the loss. Inventory adjustments must be recorded for nonfood as well as for food. The amount of any adjustments must be subtracted from the food and non-food supply costs for the month when the loss occurs.

After the last meal has been prepared for the summer, a final inventory must be taken. The value of these left over food and non-food supplies are not costs that should be charged to the Summer Food Service Program. The value of this final inventory must be subtracted from the food/non-food costs in preparing the final month's claim for reimbursement.

In summary, the following formula may be used to calculate the cost of food and nonfood supplies:

	Beginning Inventory
+	Receipts of Purchases
+	Other Costs (e.g. additional delivery costs, storage fees, etc.)
-	Credits to Costs
-	Inventory Adjustments
-	Ending Inventory
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	Calculated Cost of Food or Nonfood Supplies