

# Commodity Management Toolkit



Version V2.1\_January 2018



**USAID**  
FROM THE AMERICAN PEOPLE



Go To:  
**START** page

## 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.

Start

# 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.

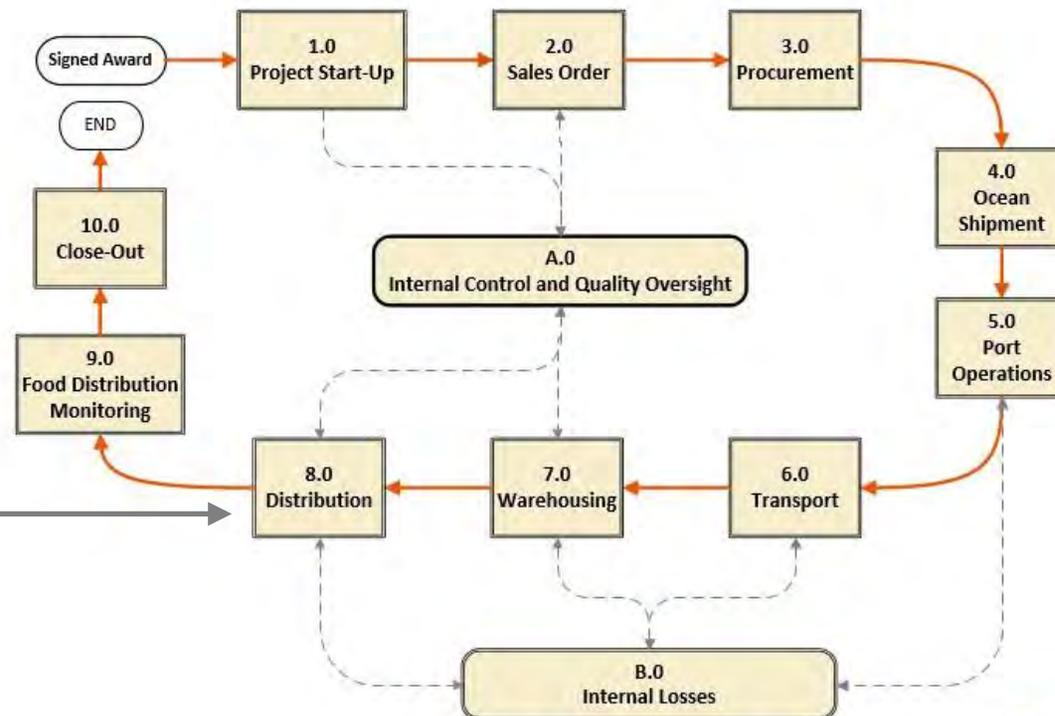
The 12 sub-processes are illustrated here.

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

Click **NEXT** below, to continue navigation instructions.

**NEXT**

## Commodity Management Interactive Life-Cycle Process Maps



Go To:  
**RESOURCES** page

# HOW TO NAVIGATE

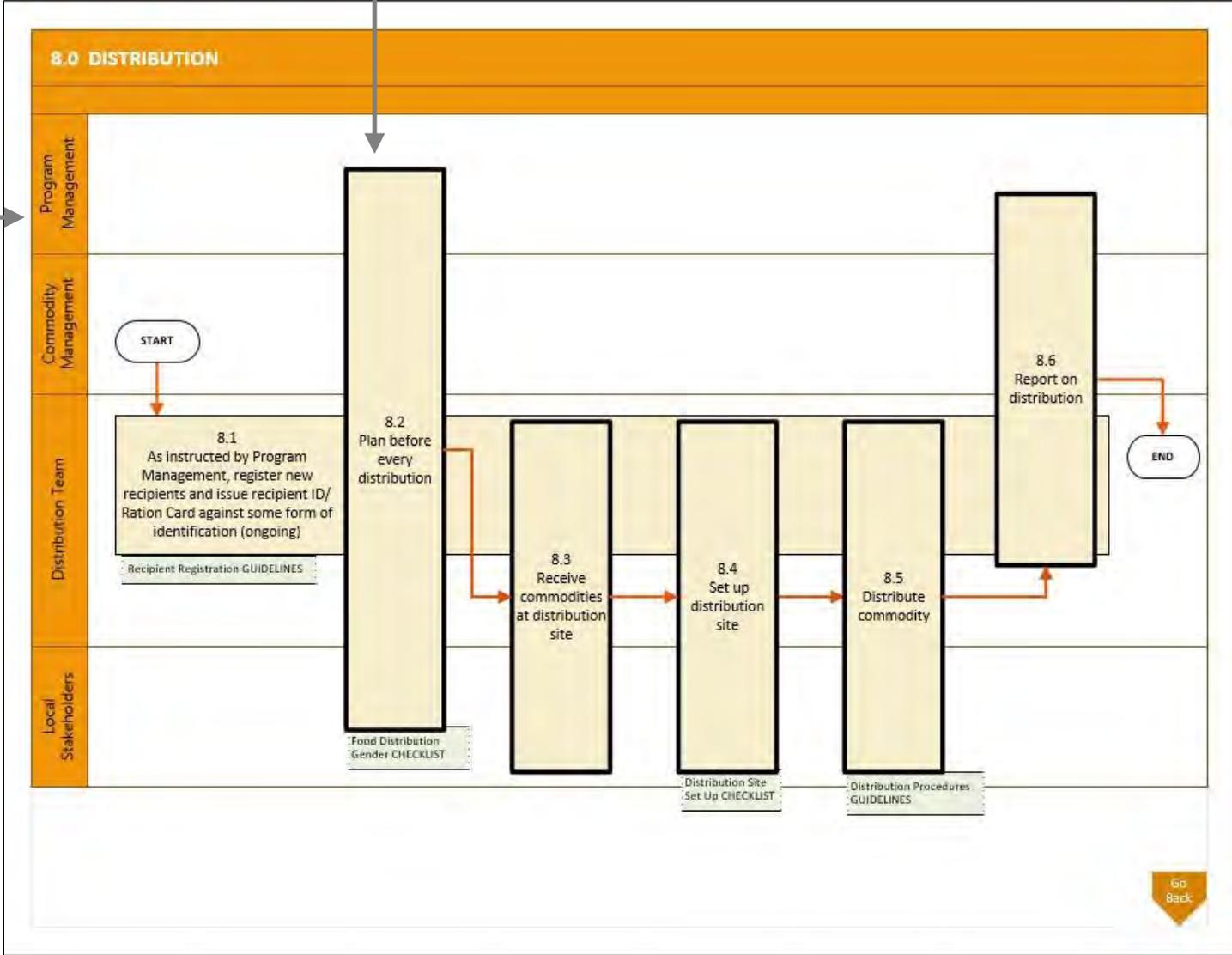
A thick border means the activity contains lower-level tasks.  
**Click the box** to access the corresponding map for these tasks.

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.

**NEXT**



Click **"Go Back"** to return to one level higher in the sub-process.

Go Back

# HOW TO NAVIGATE

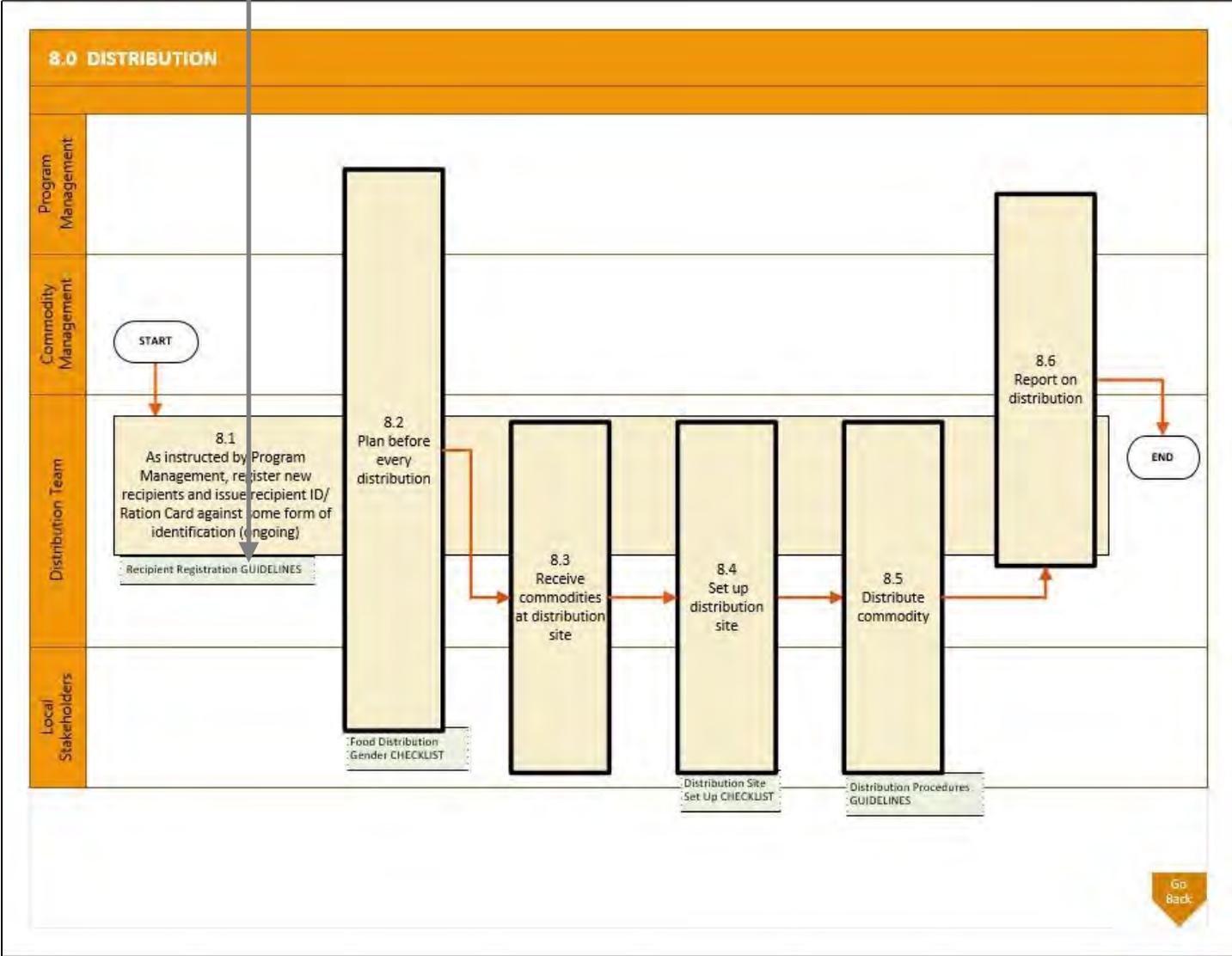
Corresponding **TOOLS** are listed in a **green box**.

All tools for a sub-process are located in a folder for that sub-process.

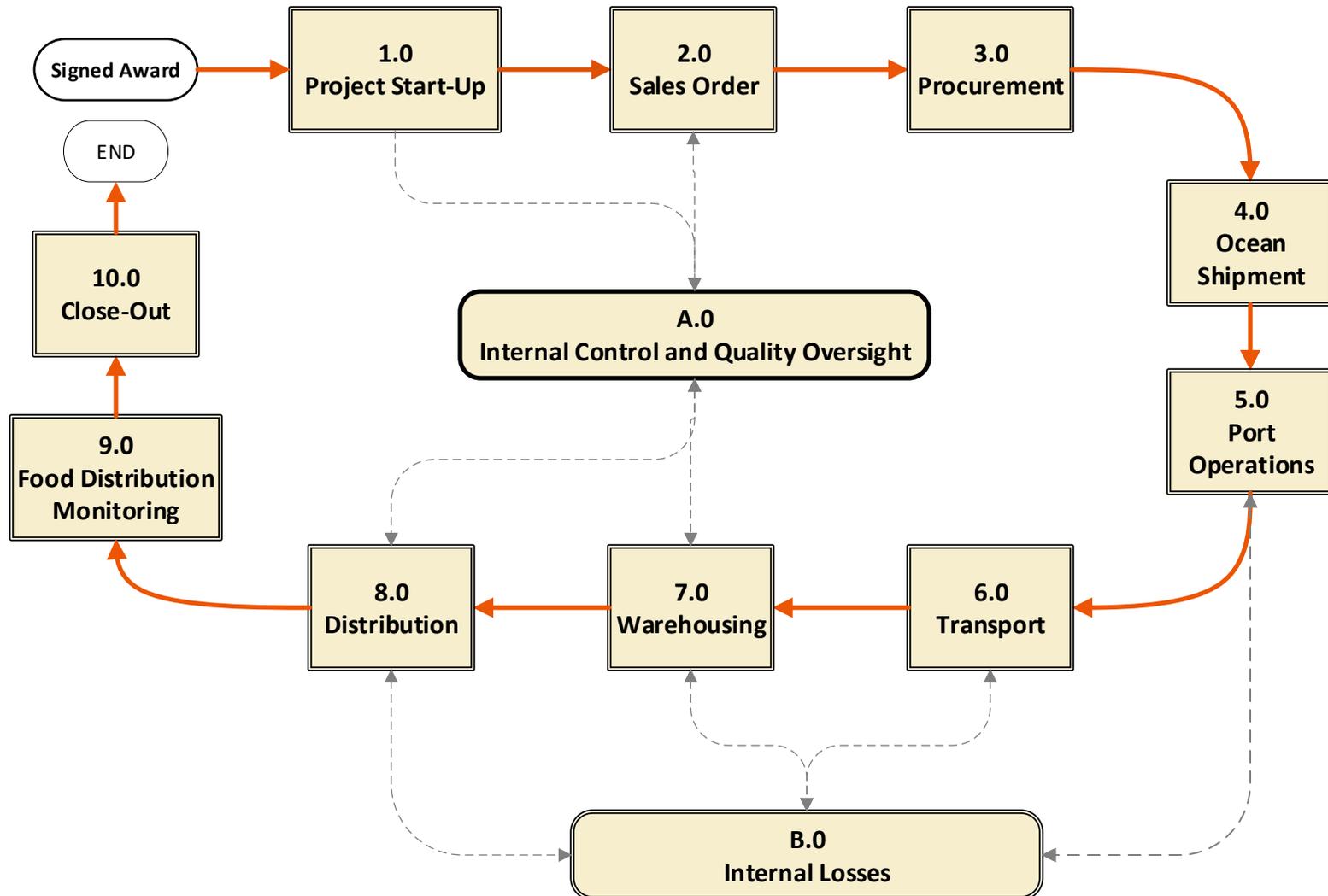
Save the **TOOLS** to your computer, and adapt them to your local context.

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

NEXT



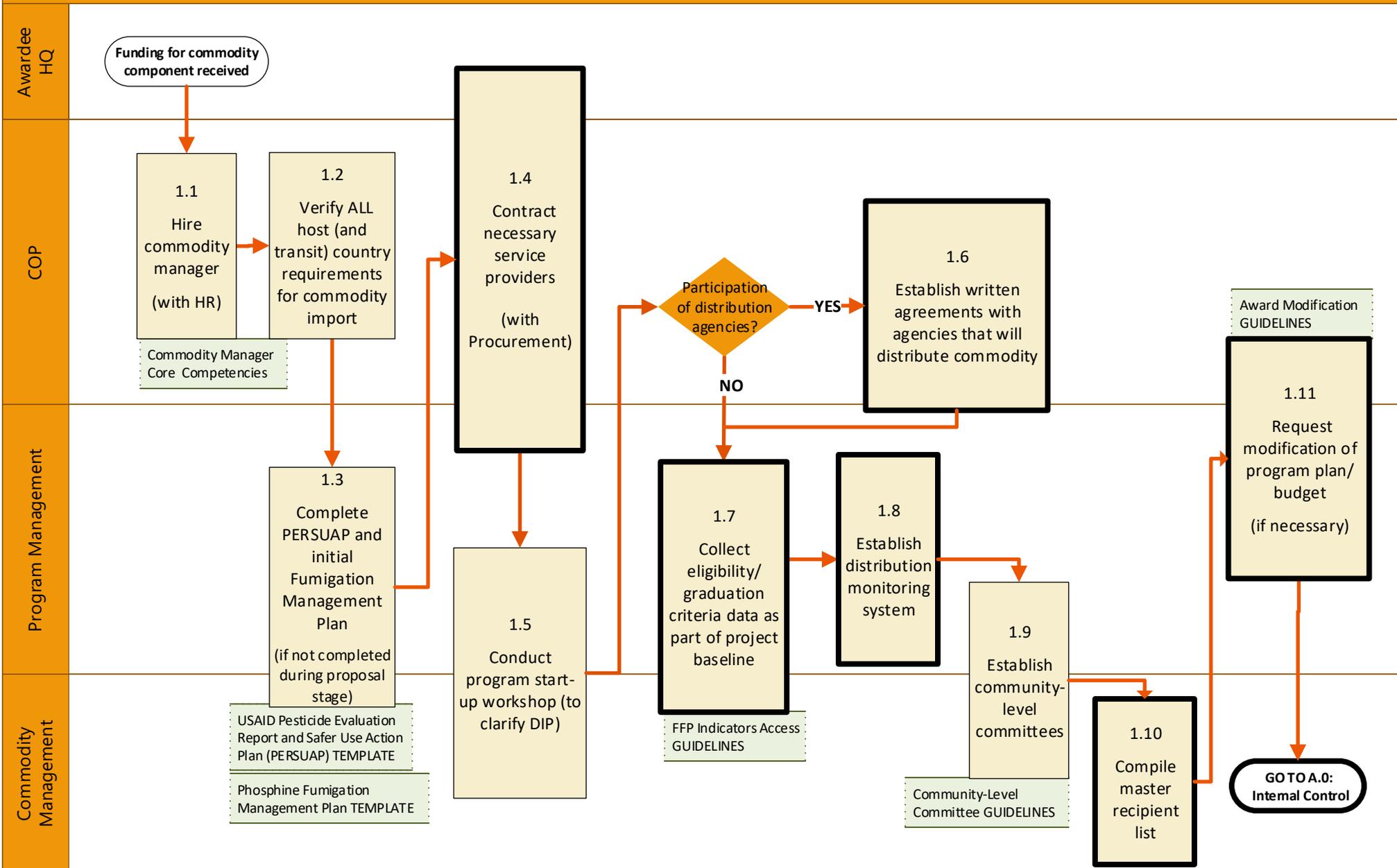
# Commodity Management Interactive Life-Cycle Process Maps



Go To:  
Overview page

Go To:  
RESOURCES page

# 1.0 PROJECT START-UP

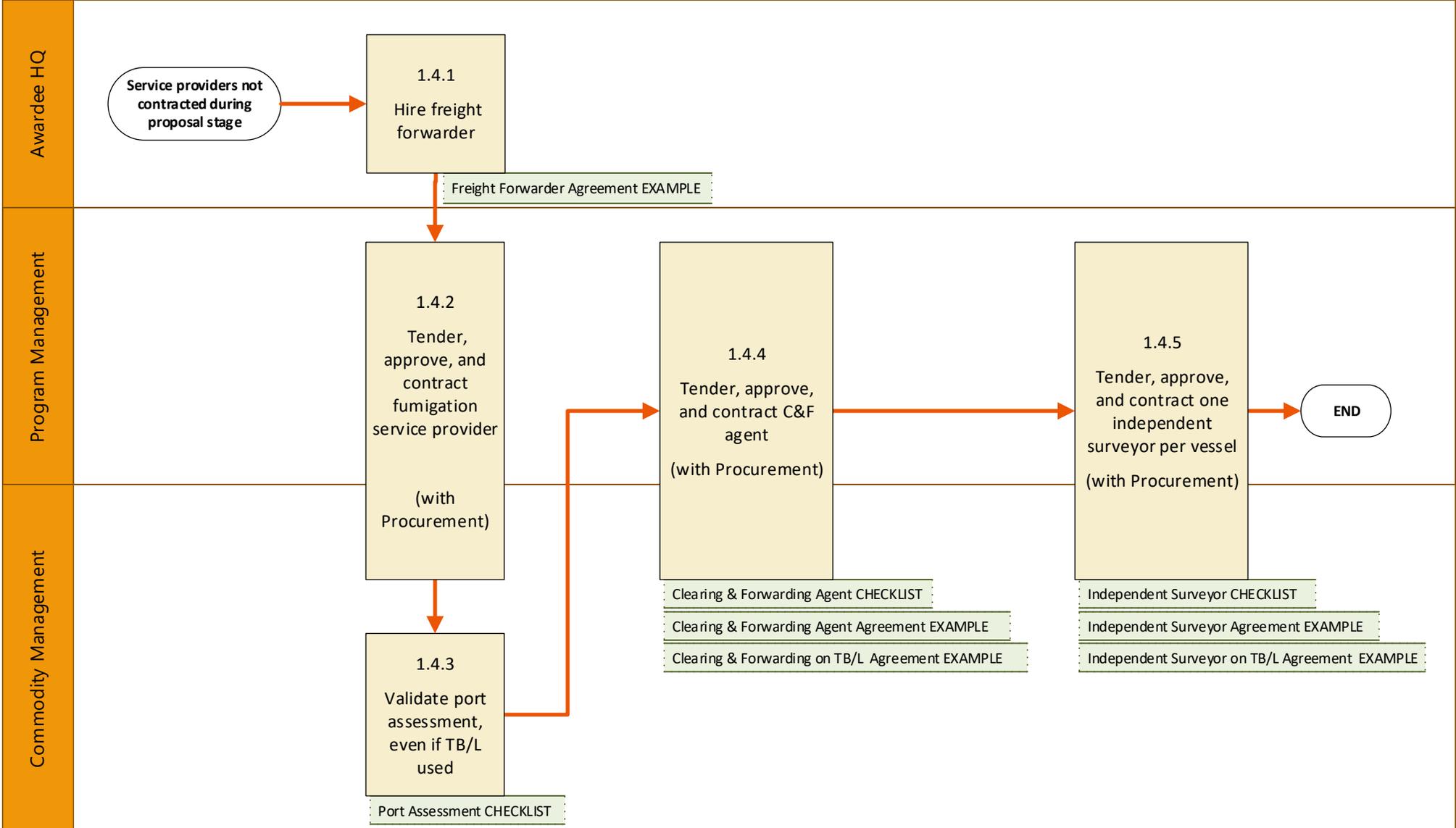


Click here for all sub-process tools

Go Back

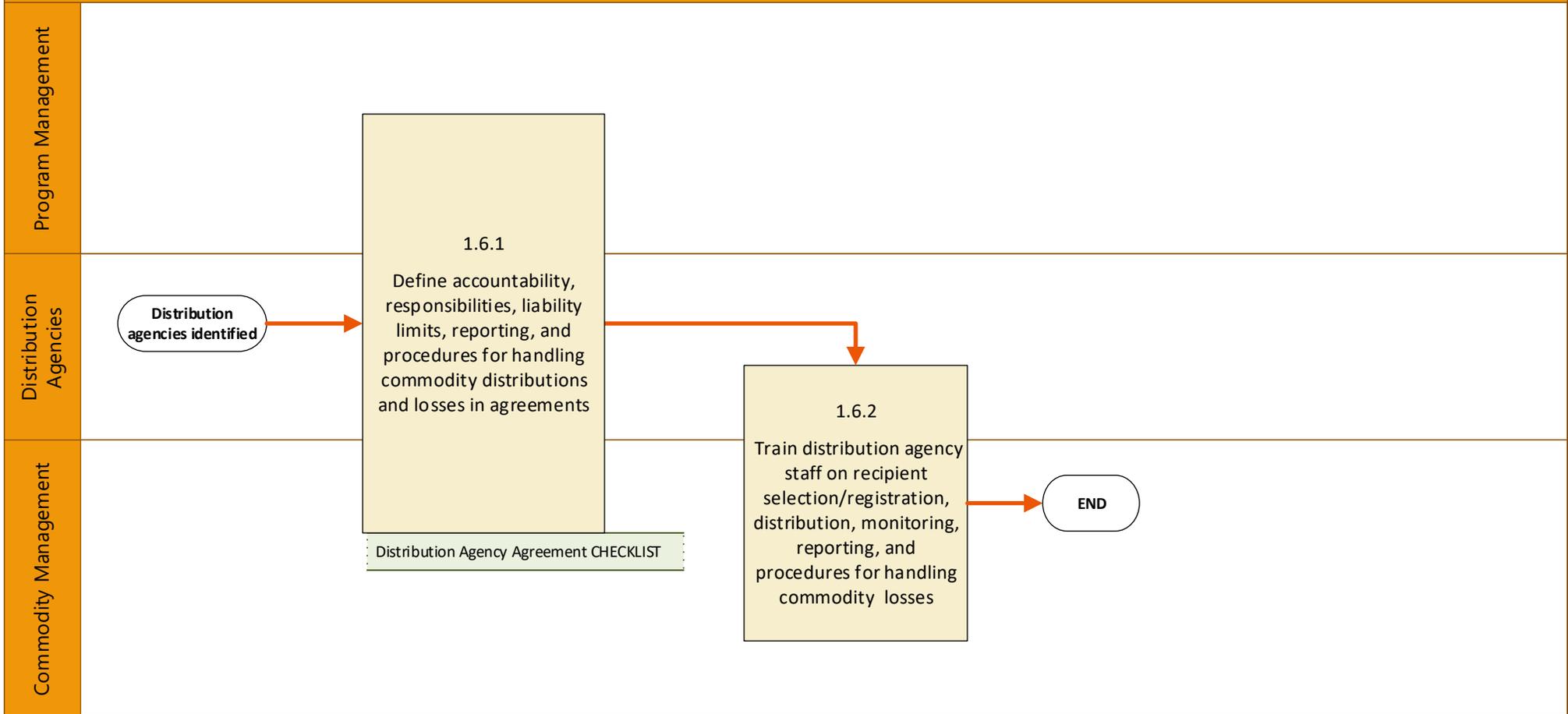
# 1.0 PROJECT START-UP

## 1.4 Contract necessary service providers



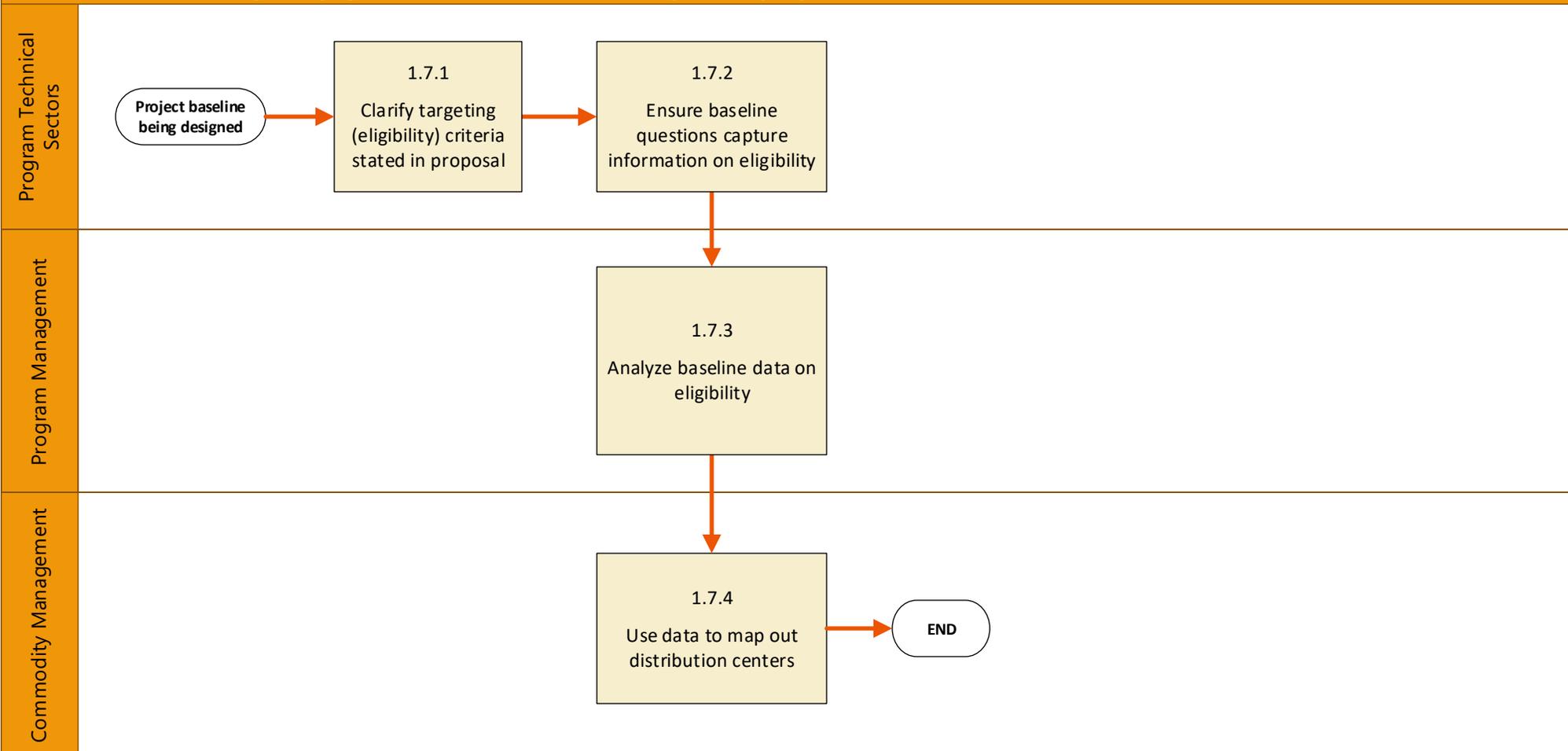
# 1.0 PROJECT START-UP

## 1.6 Establish written agreements with agencies that will distribute commodity



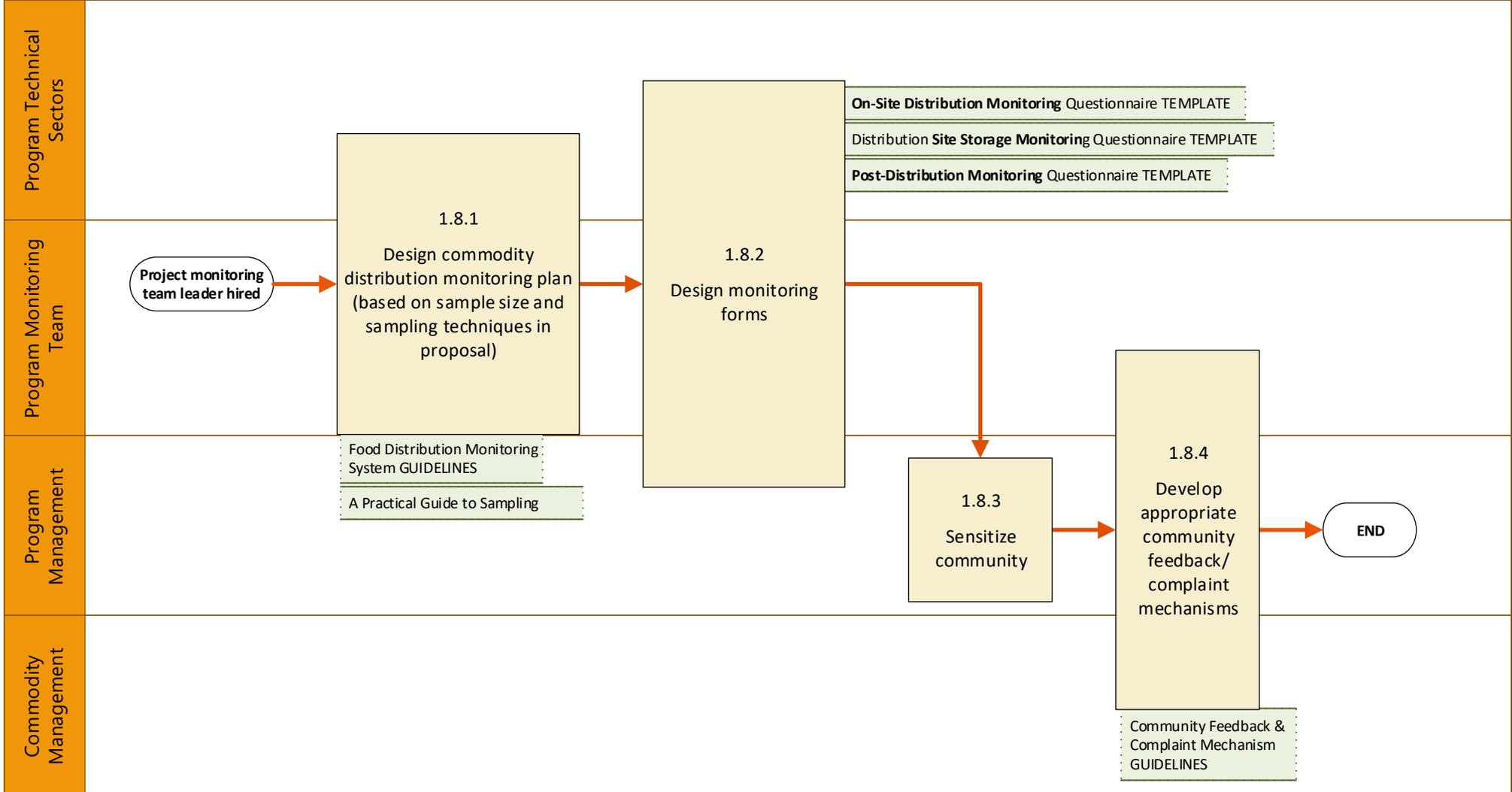
# 1.0 PROJECT START-UP

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



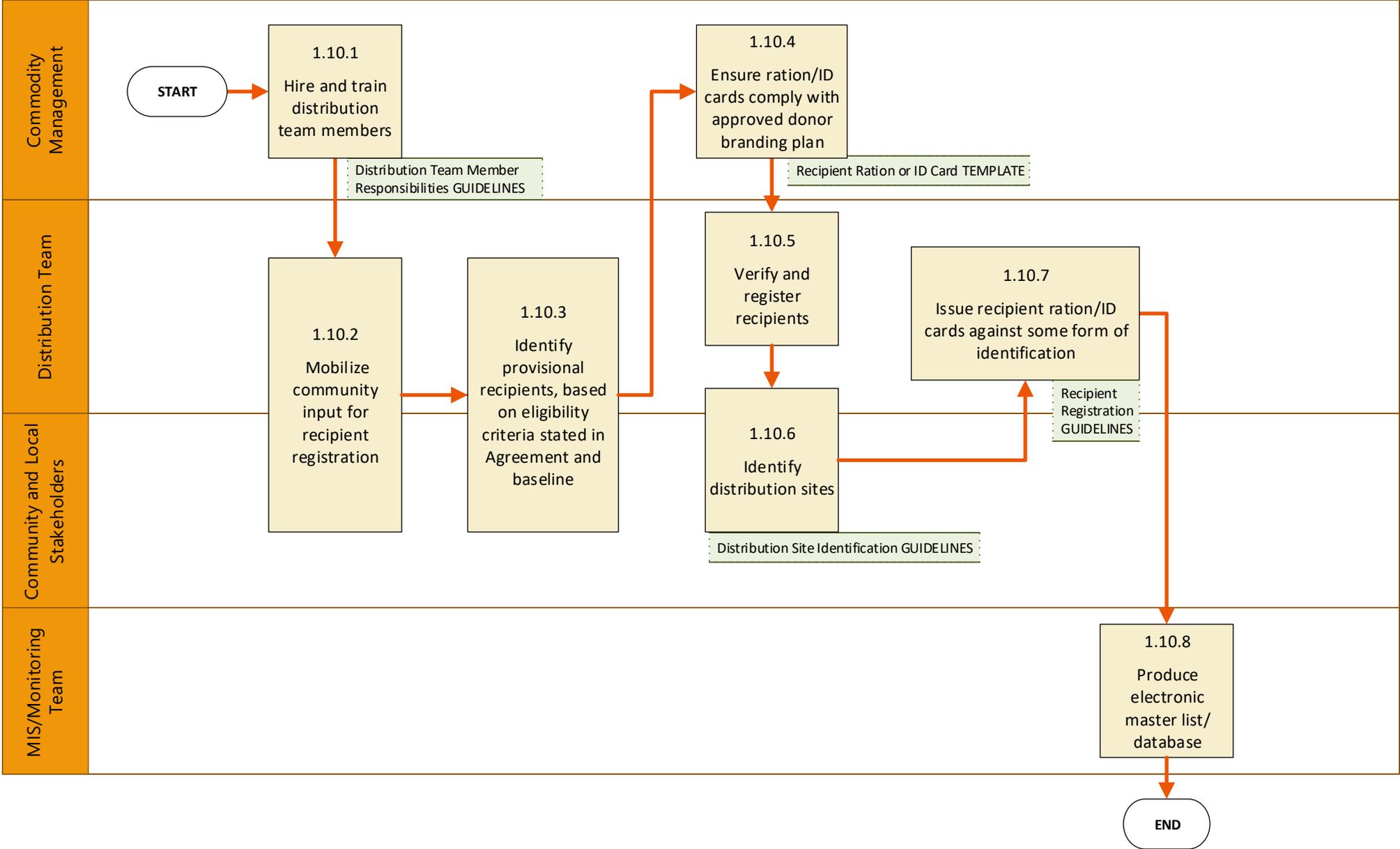
# 1.0 PROJECT START-UP

## 1.8 Establish distribution monitoring system



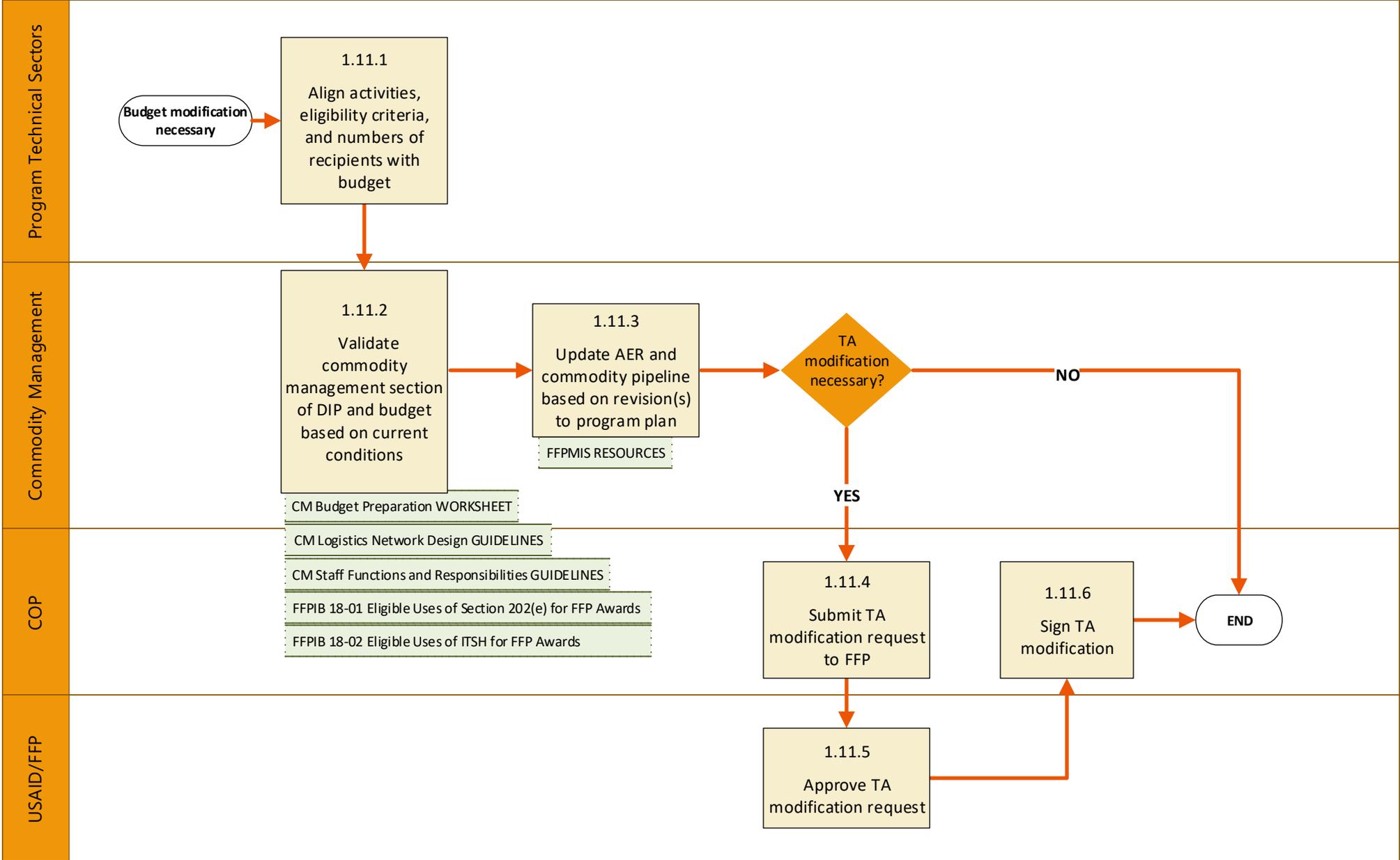
# 1.0 PROJECT START-UP

## 1.10 Compile master recipient list

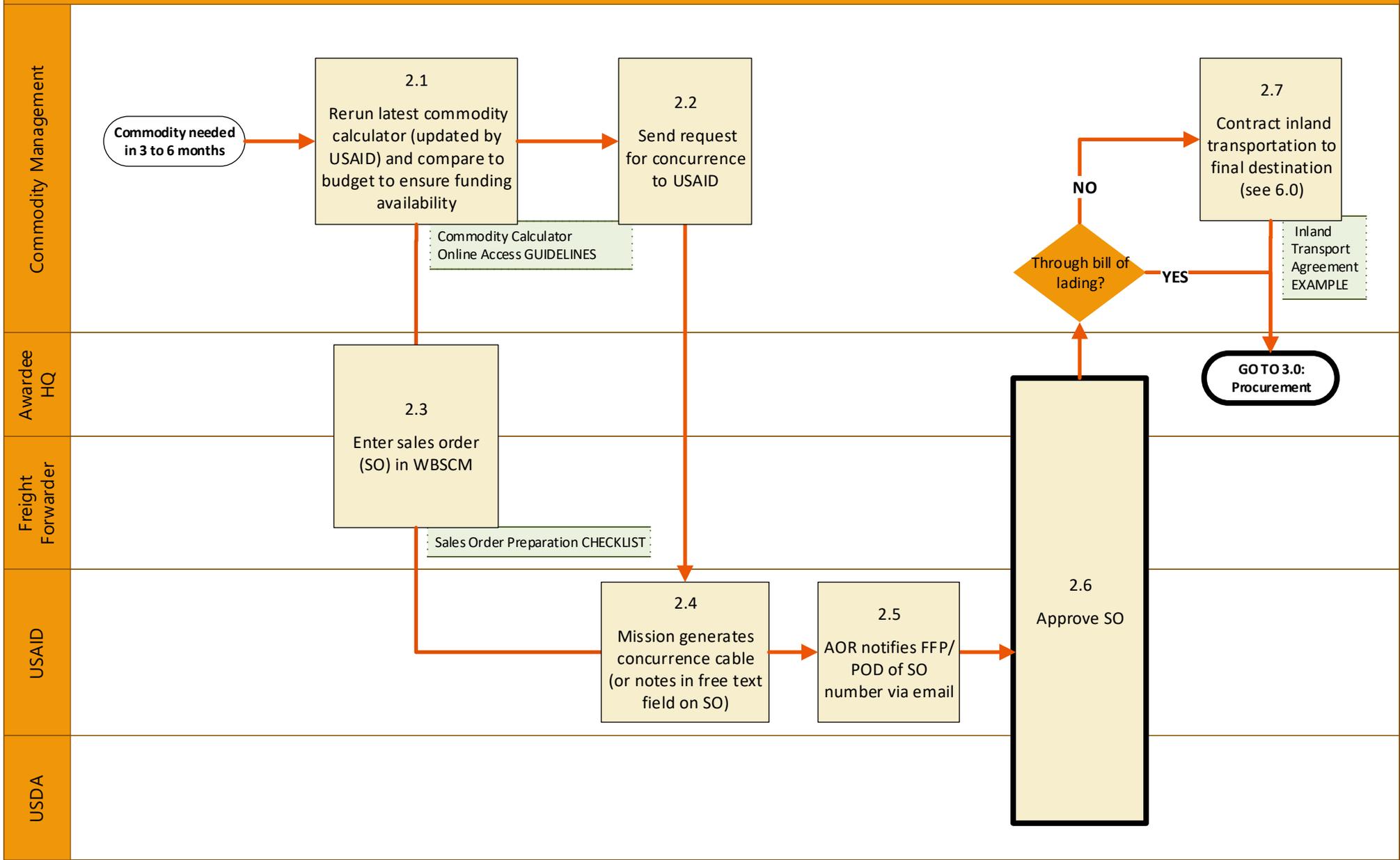


# 1.0 PROJECT START-UP

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



## 2.0 SALES ORDER



Click here for all sub-process tools

Go Back

## 2.0 SALES ORDER

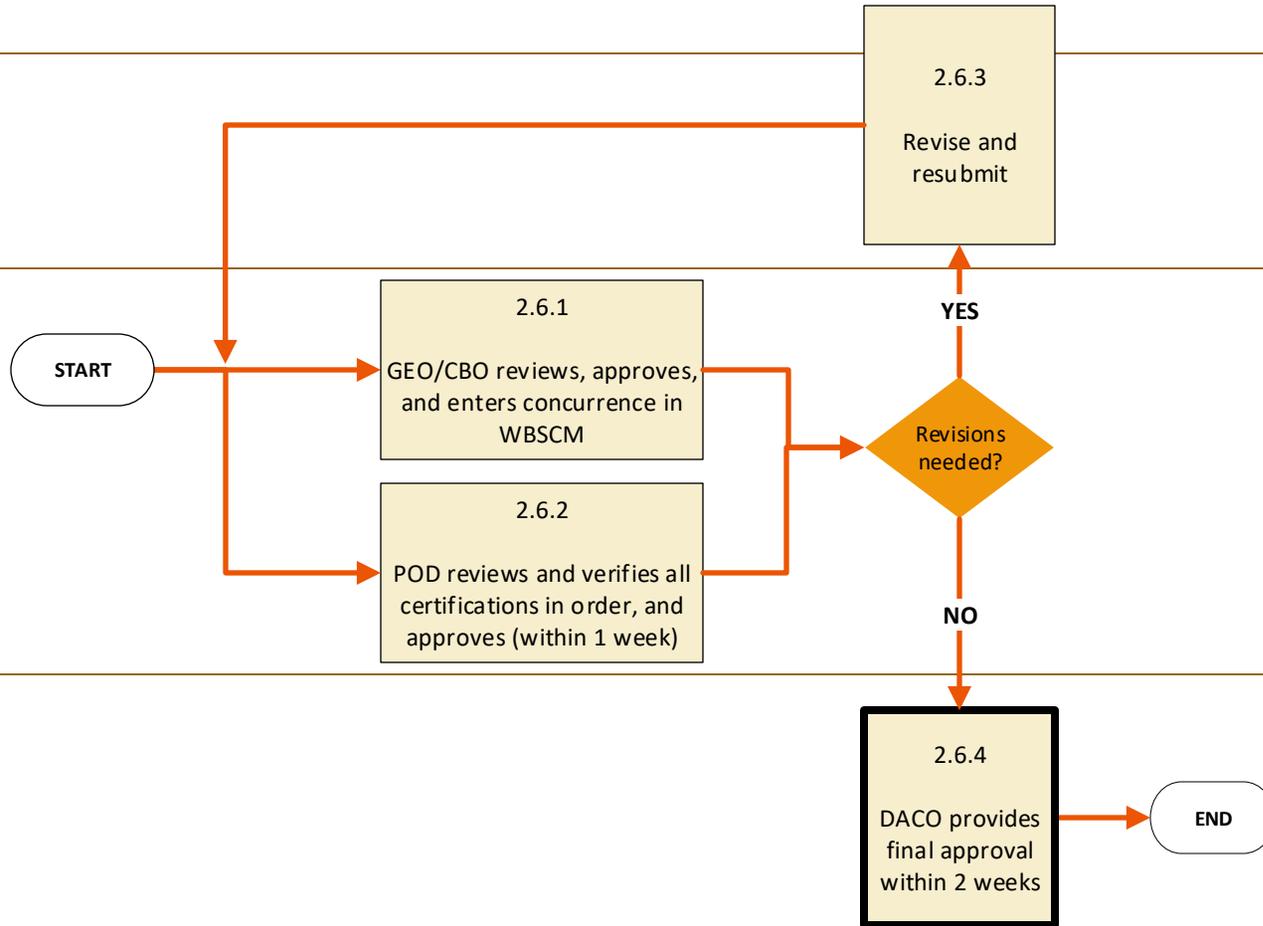
### 2.6 Approve sales order

Awardee  
HQ

Freight  
Forwarder

USAID

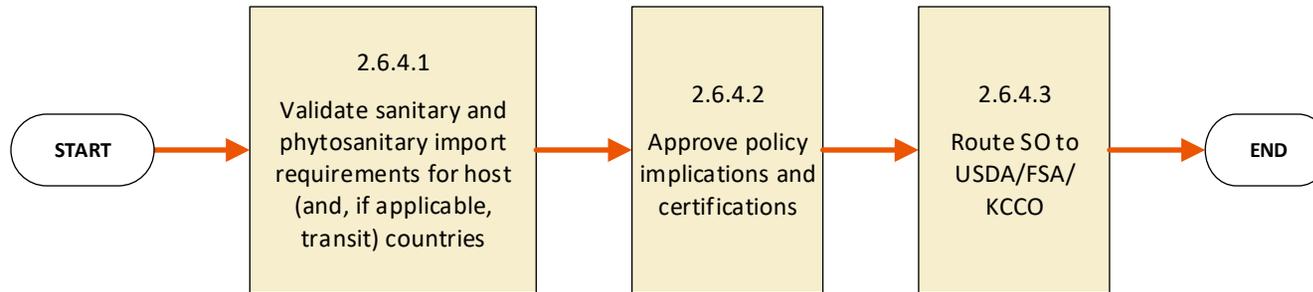
USDA



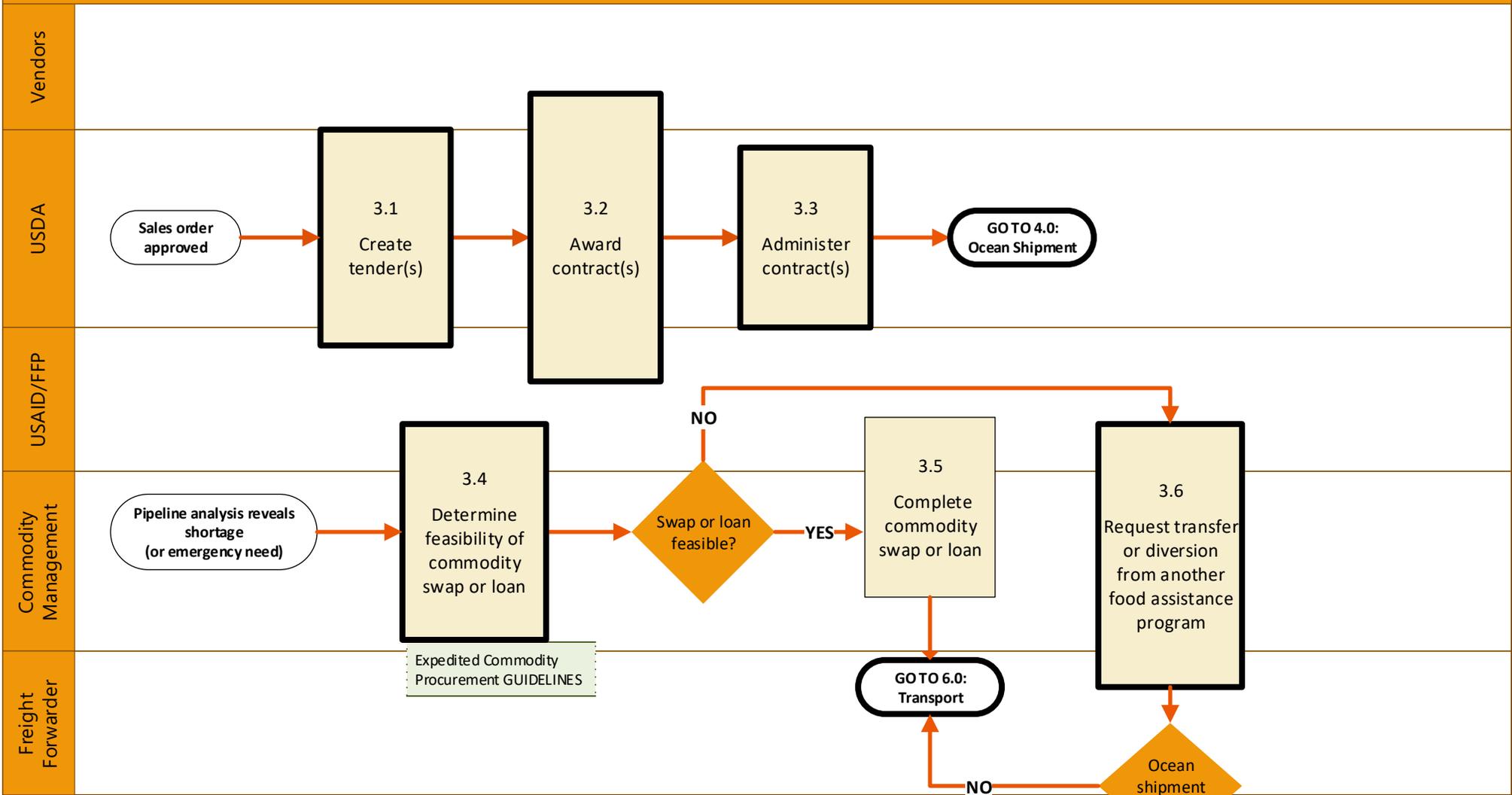
## 2.0 SALES ORDER

### 2.6.4 DACO provides final approval

USDA



# 3.0 PROCUREMENT



Click here for all sub-process tools

Go Back

## 3.0 PROCUREMENT

### 3.1 Create tender

USDA/DACO

SO routed from  
DACO

USDA/KCCO

3.1.1

Rack up (combine) SOs  
for the month

3.1.2

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

USAID/FFP

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

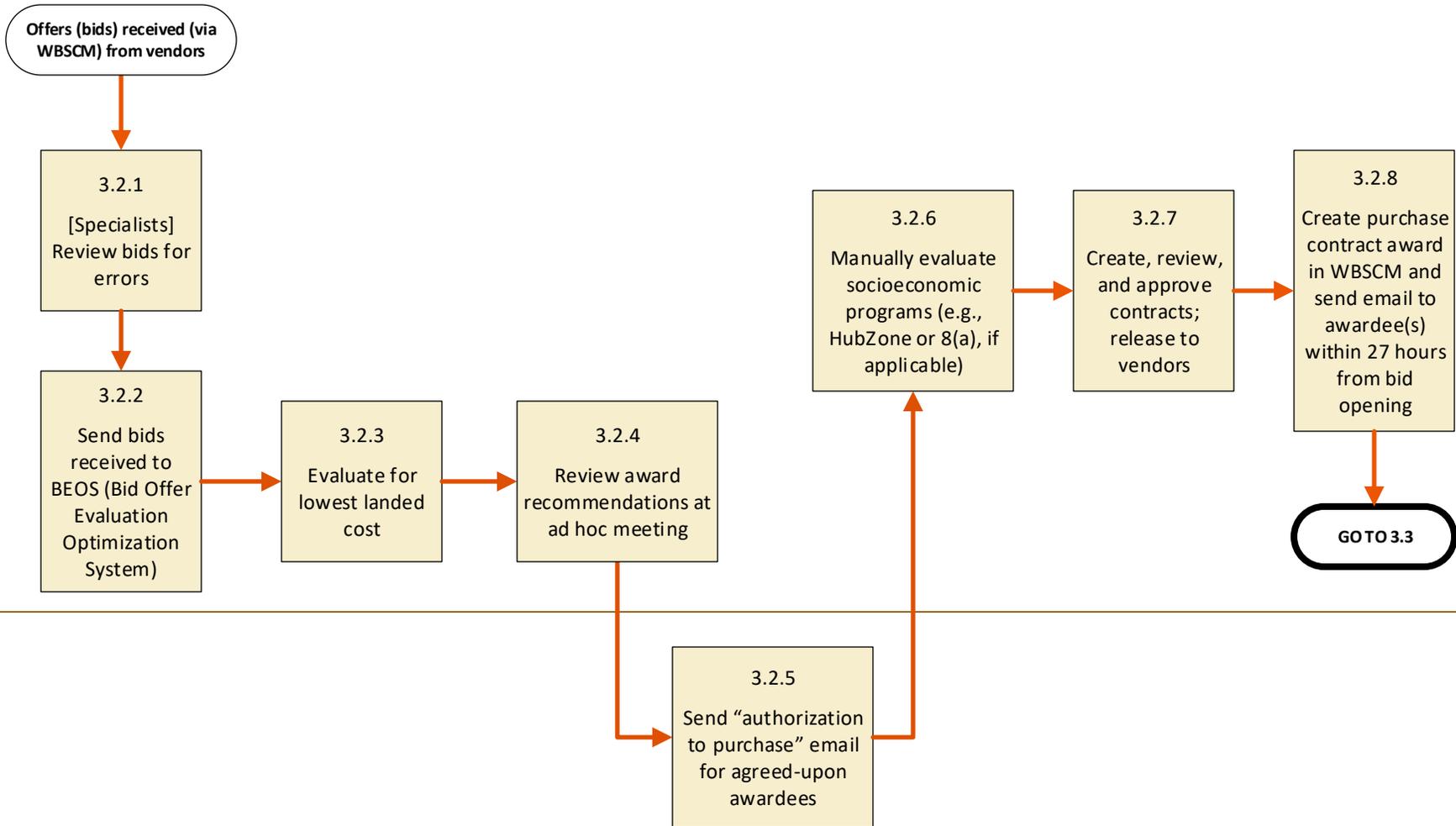
GOTO 3.2

## 3.0 PROCUREMENT

### 3.2 Award contract(s)

USDA/KCCO

USAID/FFP



## 3.0 PROCUREMENT

### 3.3 Administer contract(s)

Vendors

USDA/KCCO

USDA/DACO

Contracts released to vendors

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

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

3.3.3  
Provide unique documents to Awardee freight forwarder

**GOTO 4.0:  
Ocean Shipment**

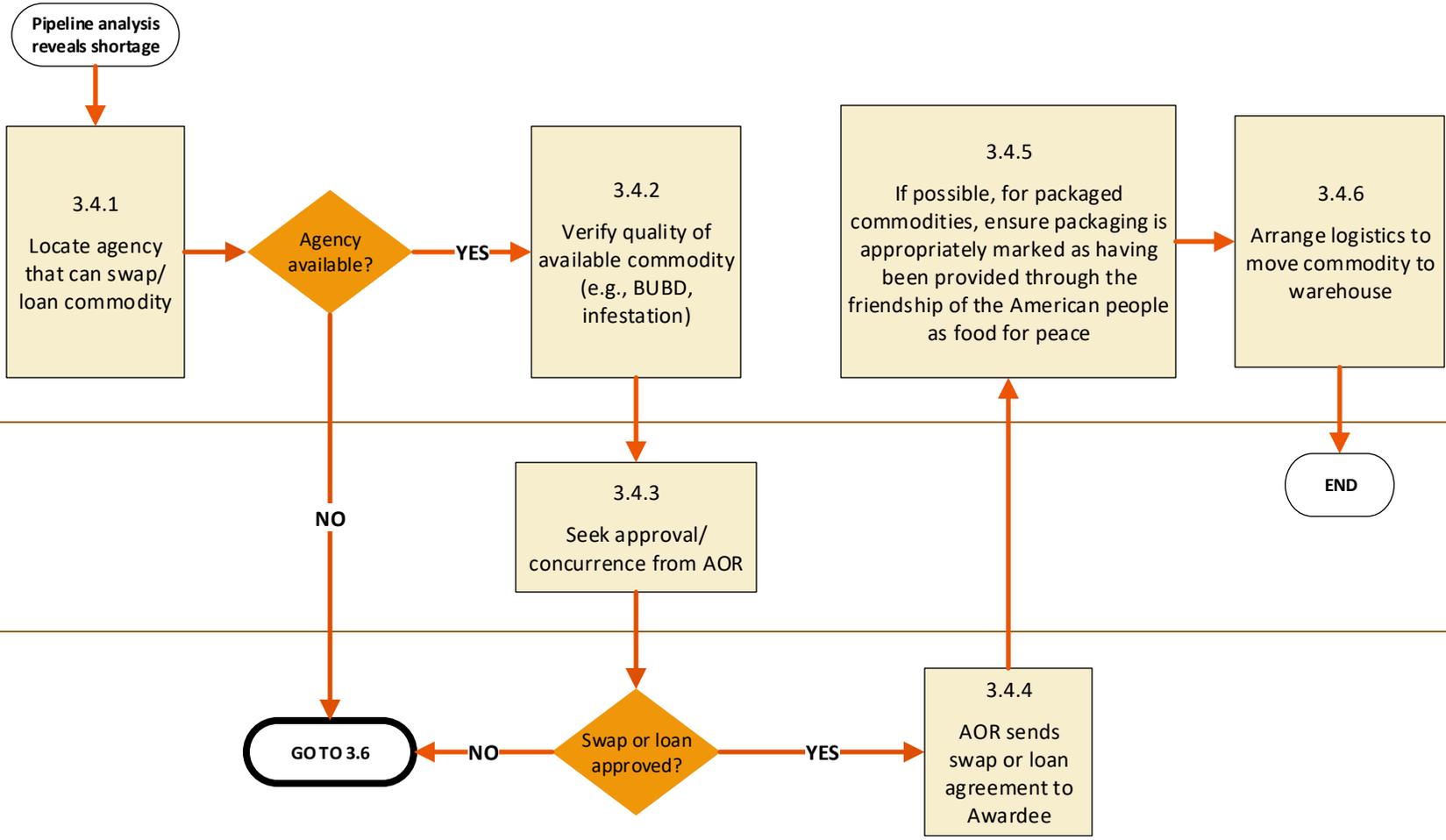
### 3.0 PROCUREMENT

#### 3.4 Determine feasibility of commodity swap or loan

Commodity Management

COP

USAID/FFP



## 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

USAID/FFP

3.6.2  
[AOR]  
Approve and notify mission

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

Freight Forwarder

3.6.3  
Notify USAID/POD

Ocean shipment involved?

YES

3.6.4  
Notify OAA/T

3.6.6  
Inform receiving Awardee of ETA, and send shipping documents

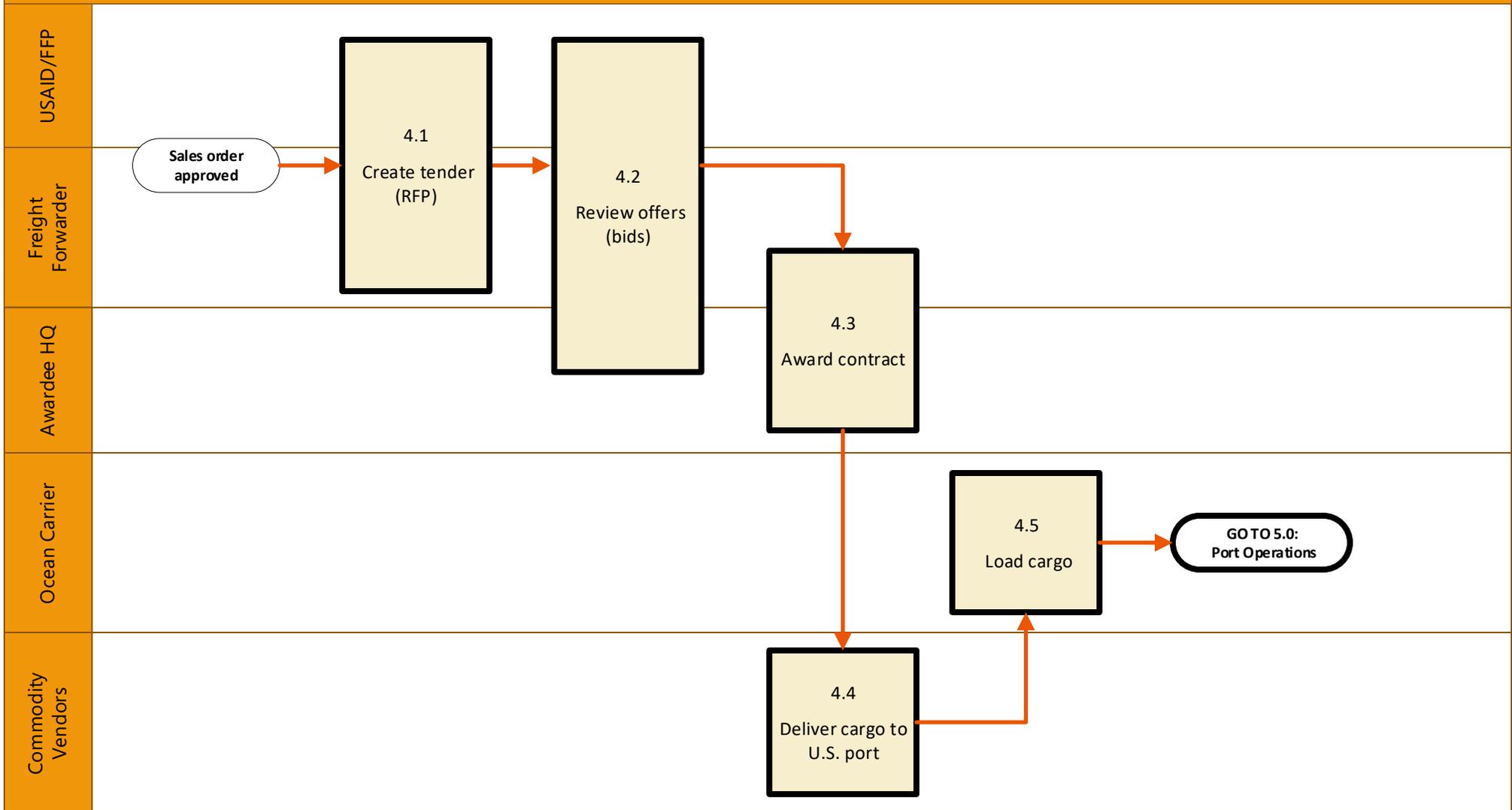
NO

GOTO 6.0:  
Transport

GOTO 5.0:  
Port Operations

Go Back

## 4.0 OCEAN SHIPMENT



 Click here for all sub-process tools

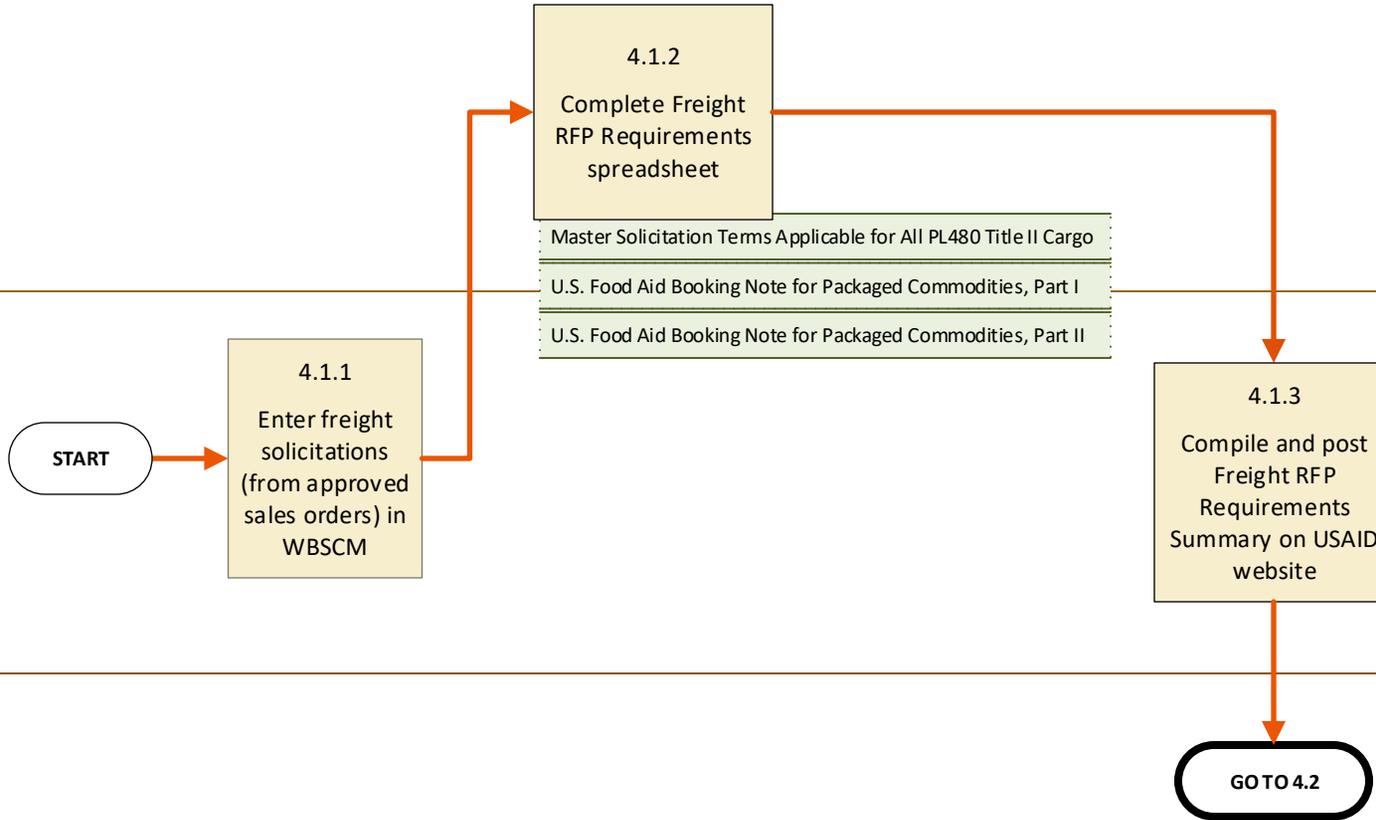
 Go Back

## 4.0 OCEAN SHIPMENT

### 4.1 Create tender (RFP)

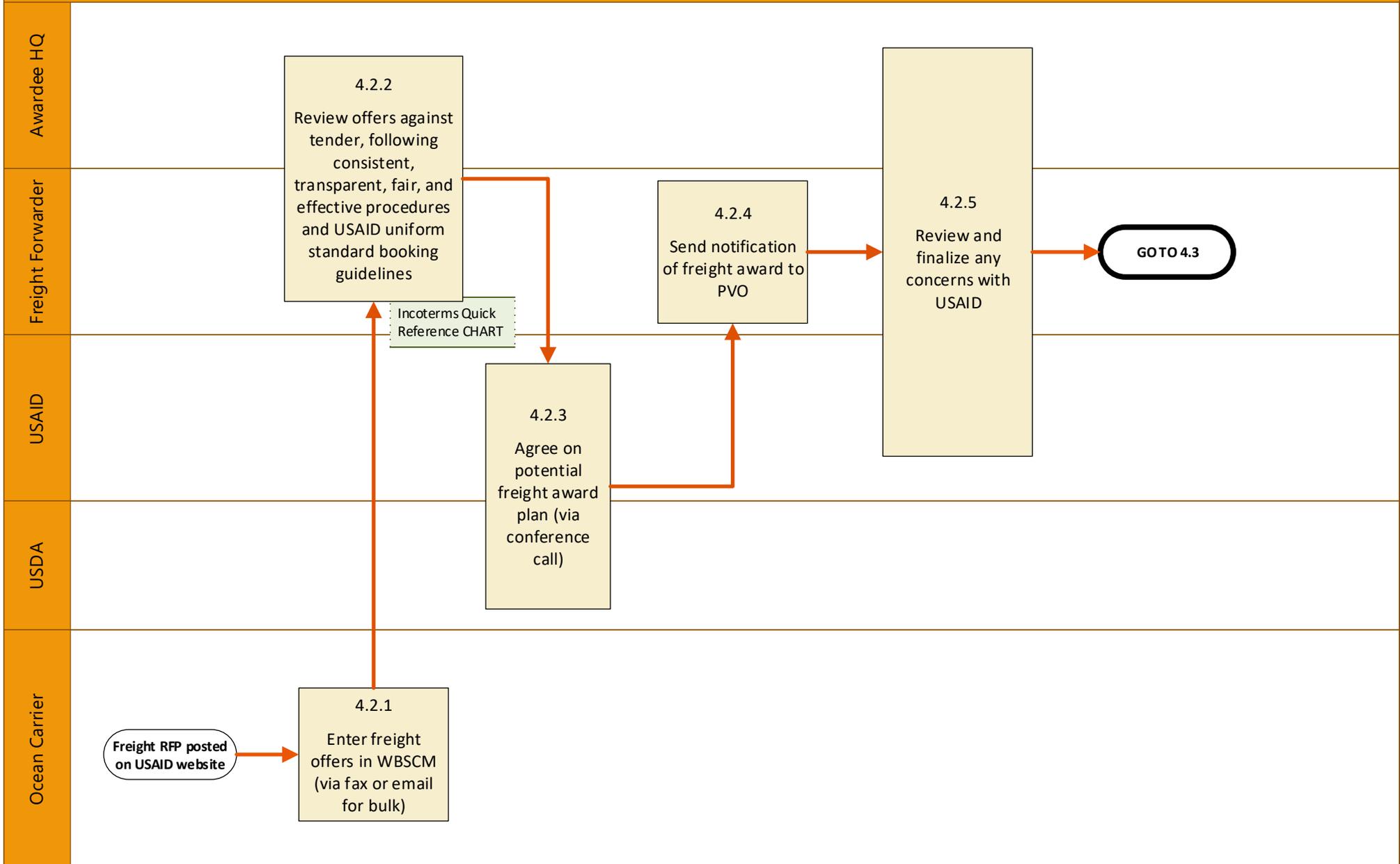
Freight Forwarder

USAID



## 4.0 OCEAN SHIPMENT

### 4.2 Review offers (bids)



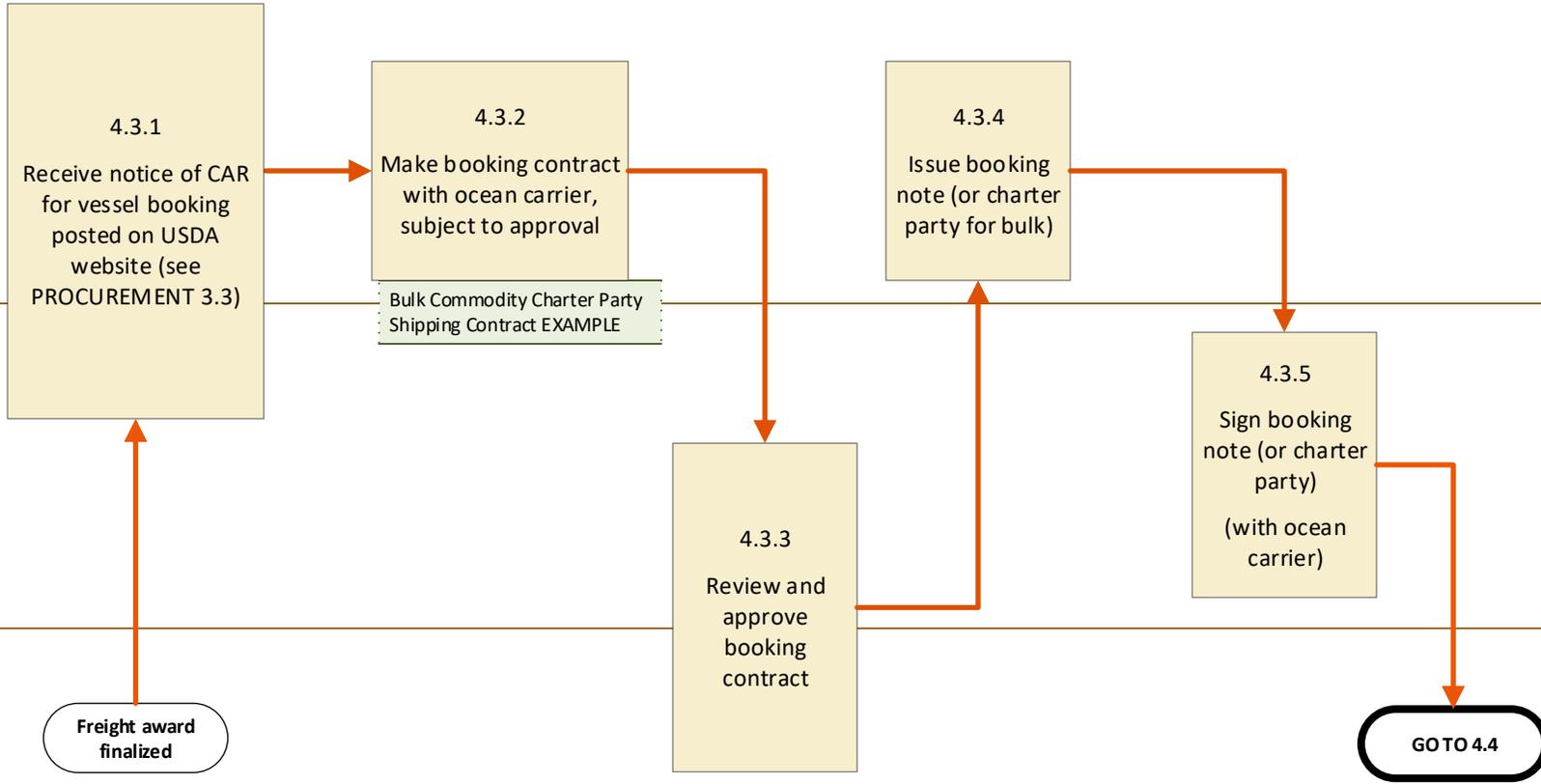
## 4.0 OCEAN SHIPMENT

### 4.3 Award contract

Freight Forwarder

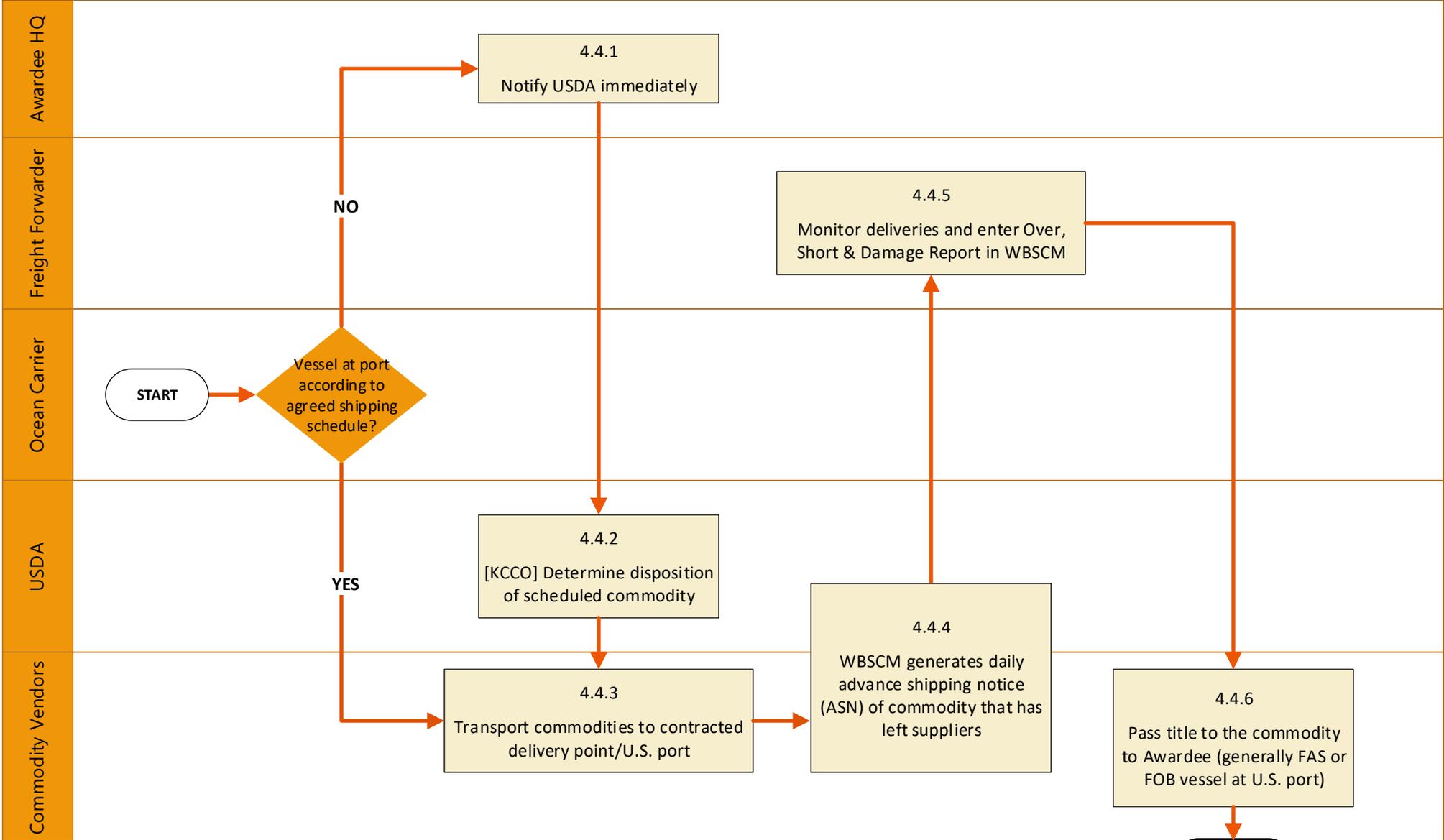
Awardee HQ

USAID



# 4.0 OCEAN SHIPMENT

## 4.4 Deliver cargo to U.S. port



## 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

4.5.6  
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

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

GOTO 5.0:  
Port  
Operations

Ocean Carrier

4.5.3  
Load  
commodities  
onto vessel

4.5.4  
Fumigate  
vessel

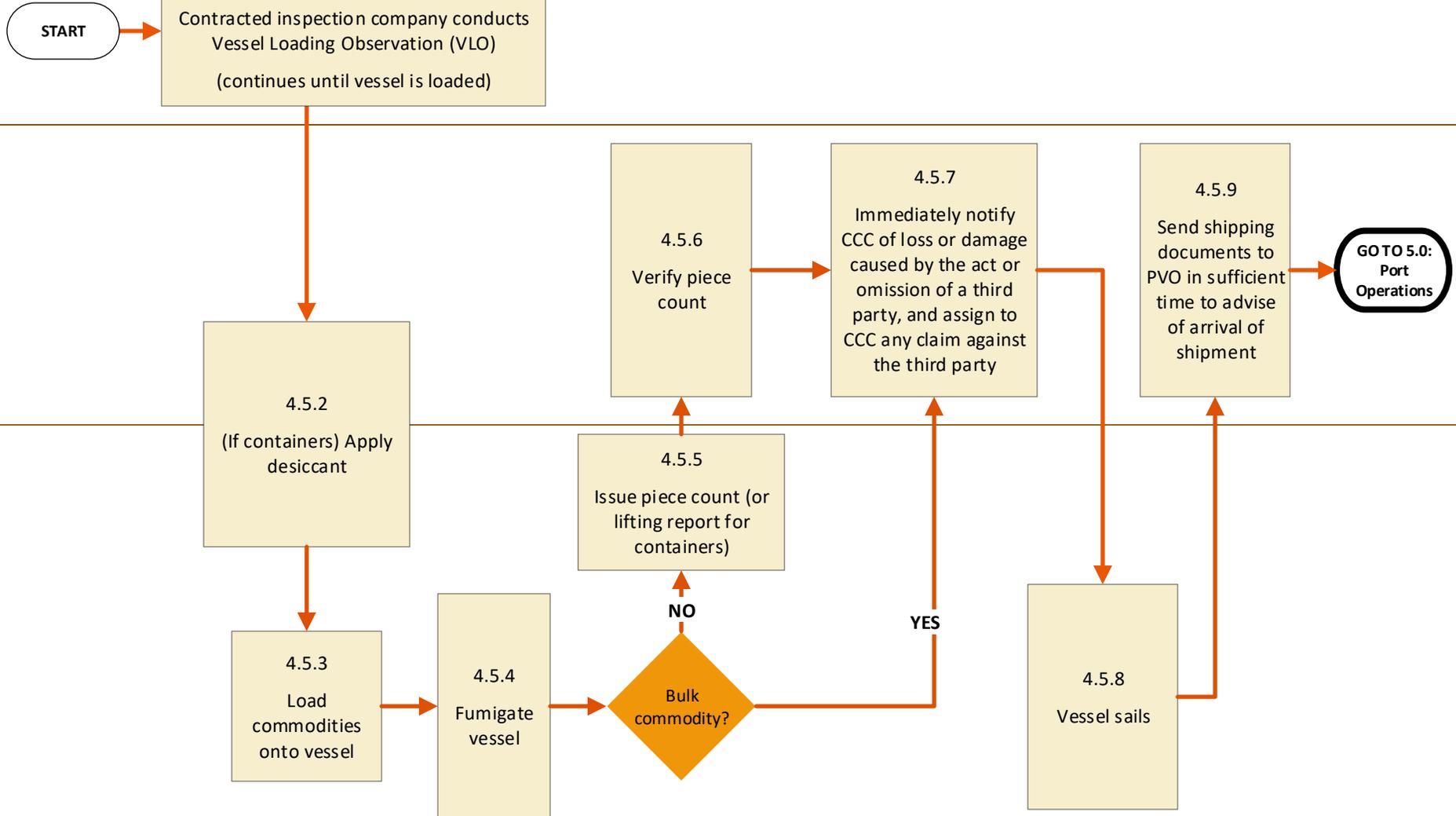
4.5.5  
Issue piece count (or  
lifting report for  
containers)

NO

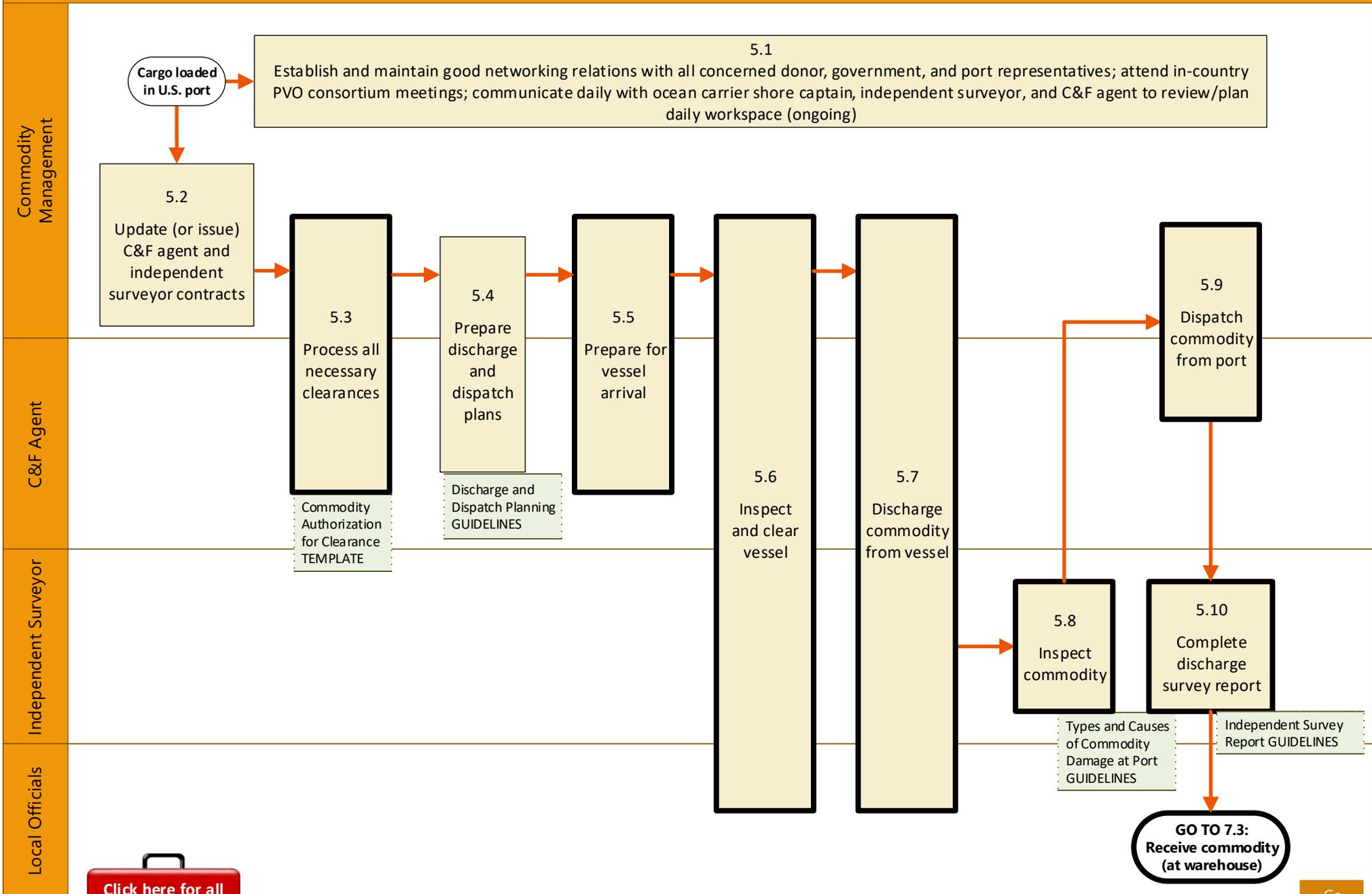
Bulk  
commodity?

YES

4.5.8  
Vessel sails



# 5.0 PORT OPERATIONS



Click here for all sub-process tools

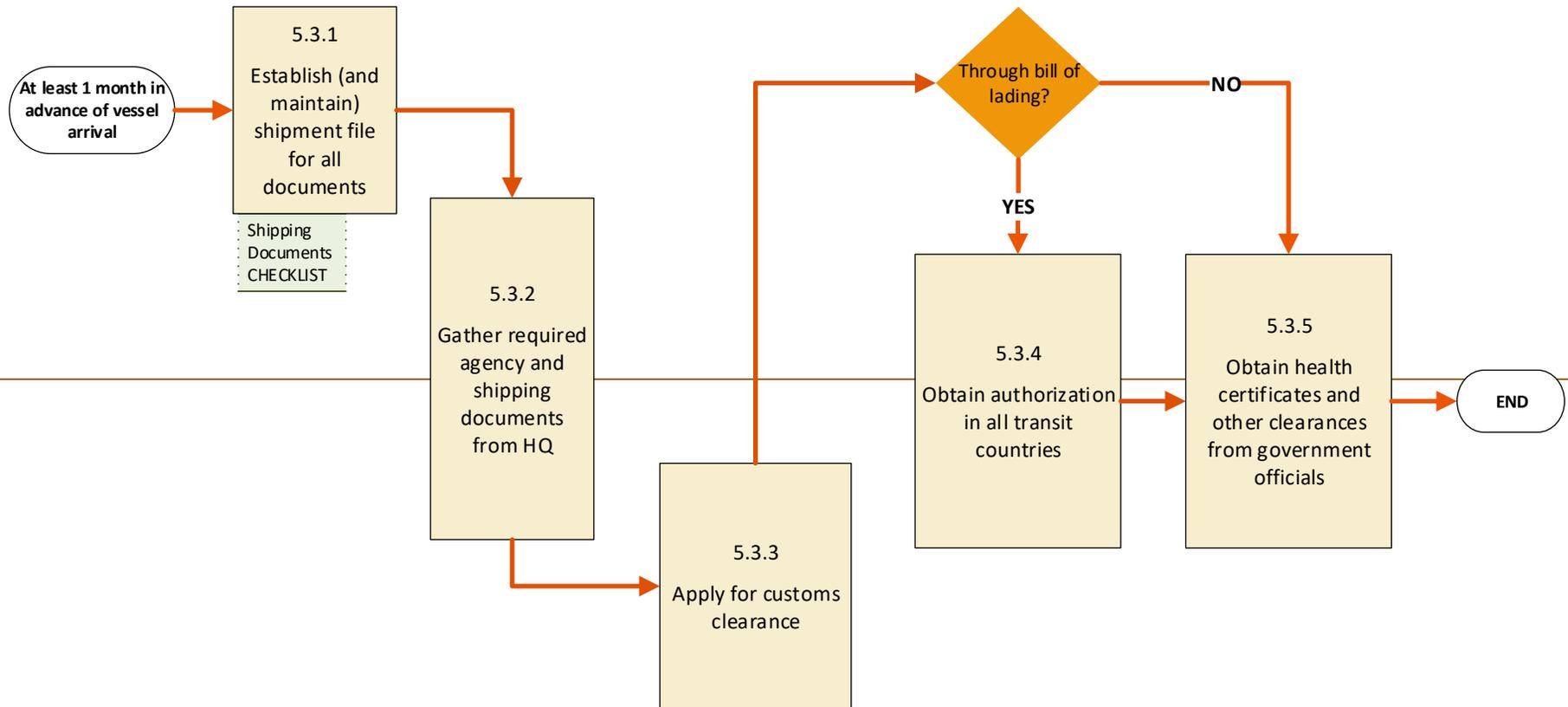
Go Back

## 5.0 PORT OPERATIONS

### 5.3 Process all necessary clearances

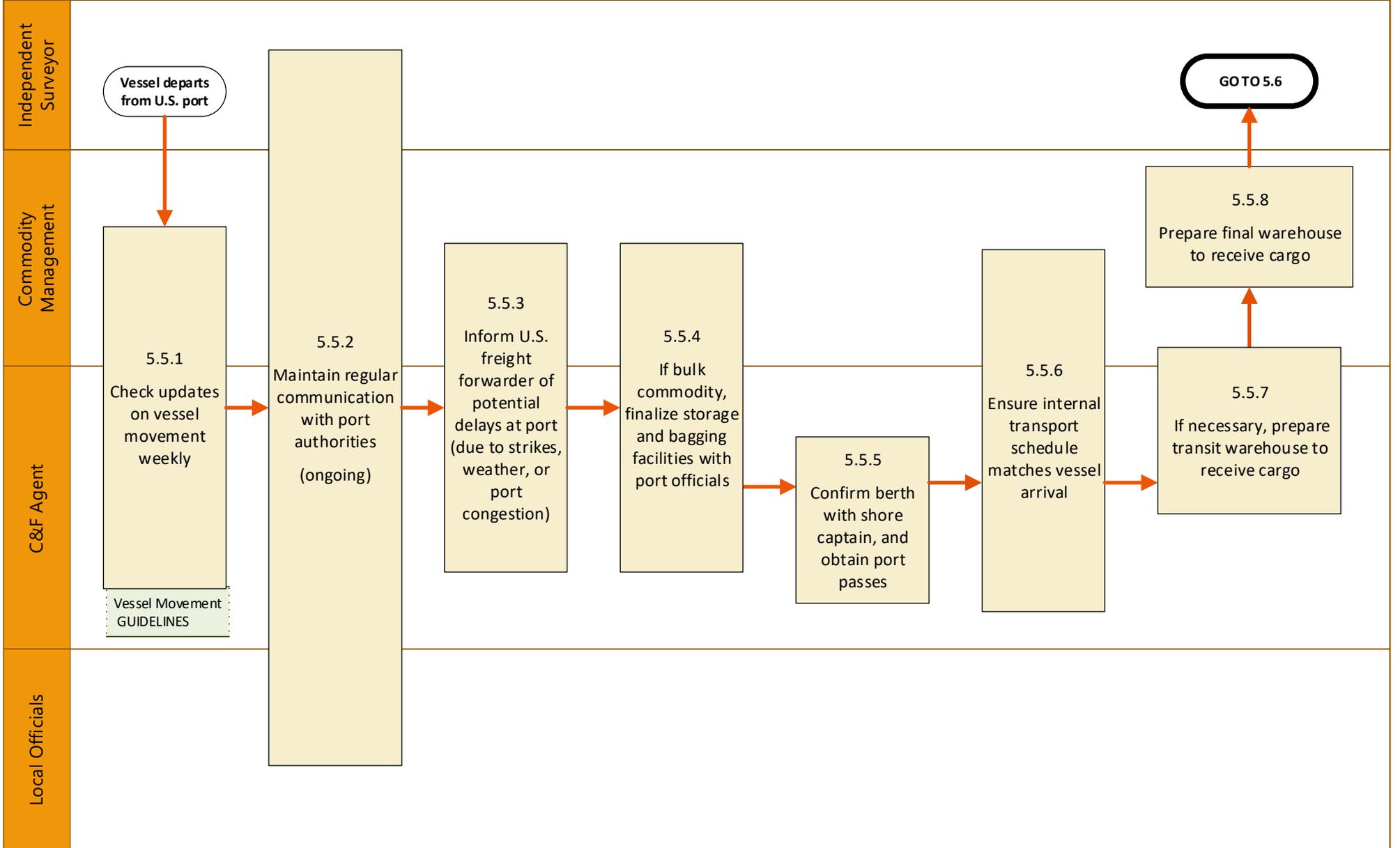
Commodity  
Management

C&F Agent



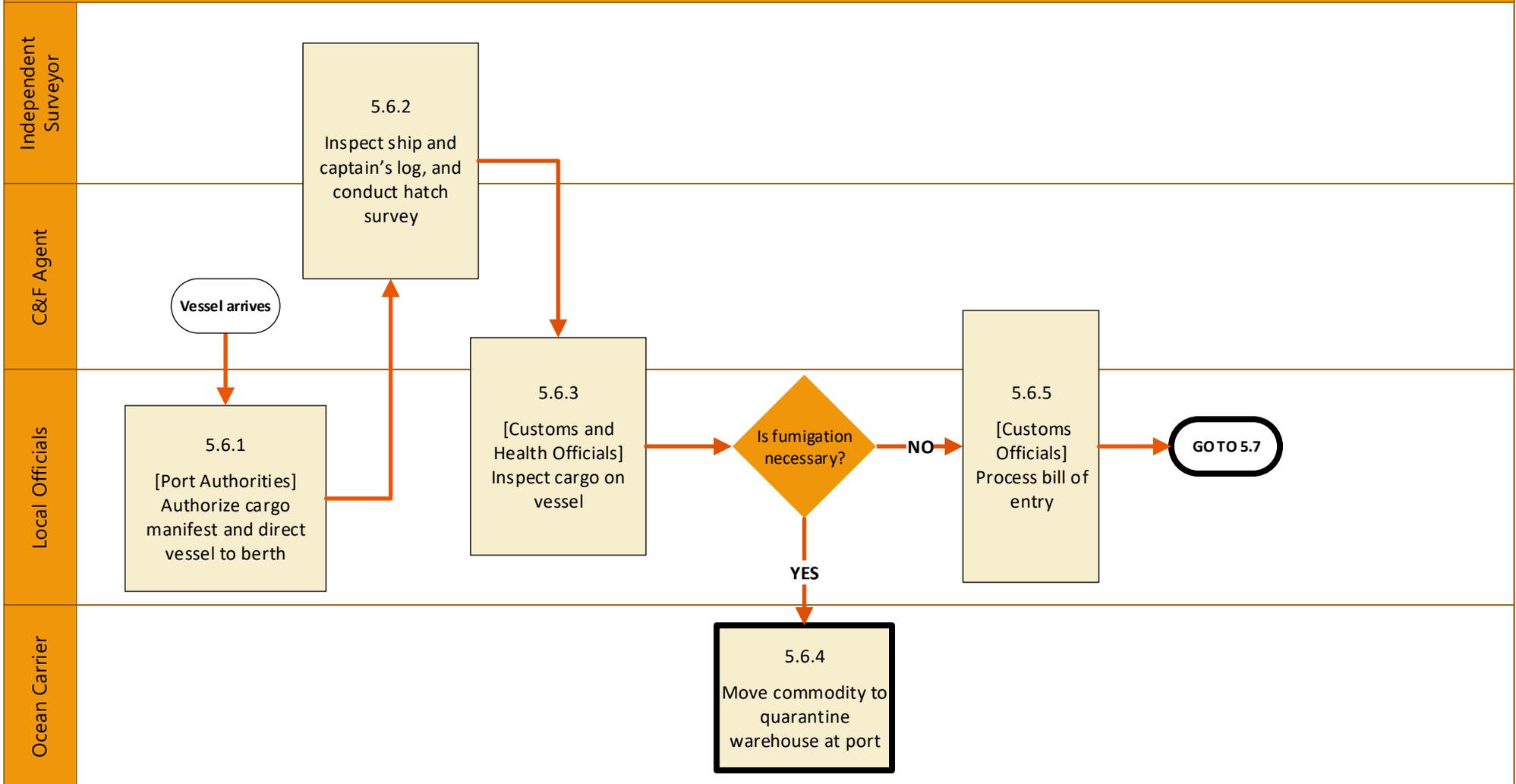
# 5.0 PORT OPERATIONS

## 5.5 Prepare for vessel arrival



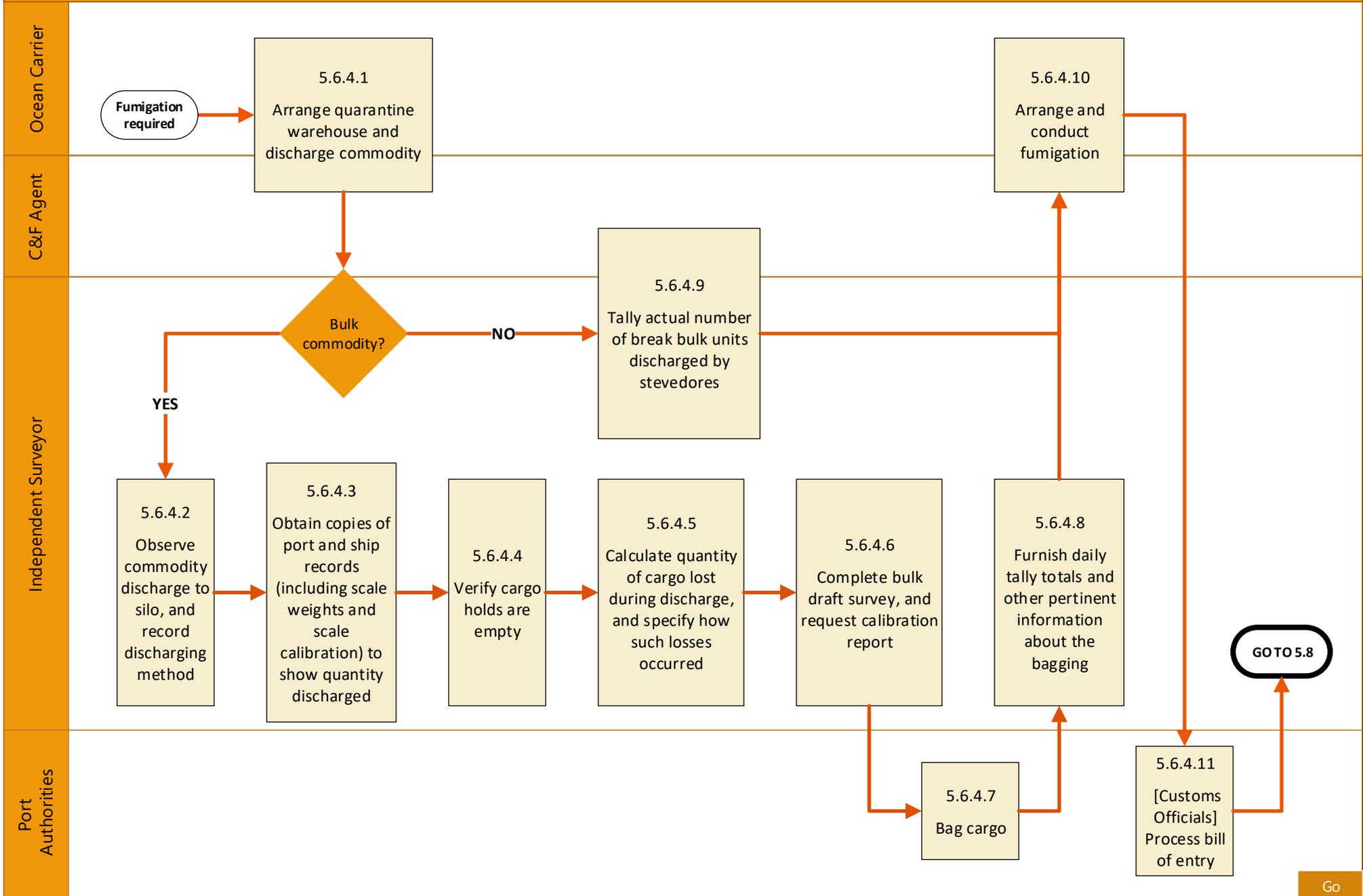
## 5.0 PORT OPERATIONS

### 5.6 Inspect and clear vessel

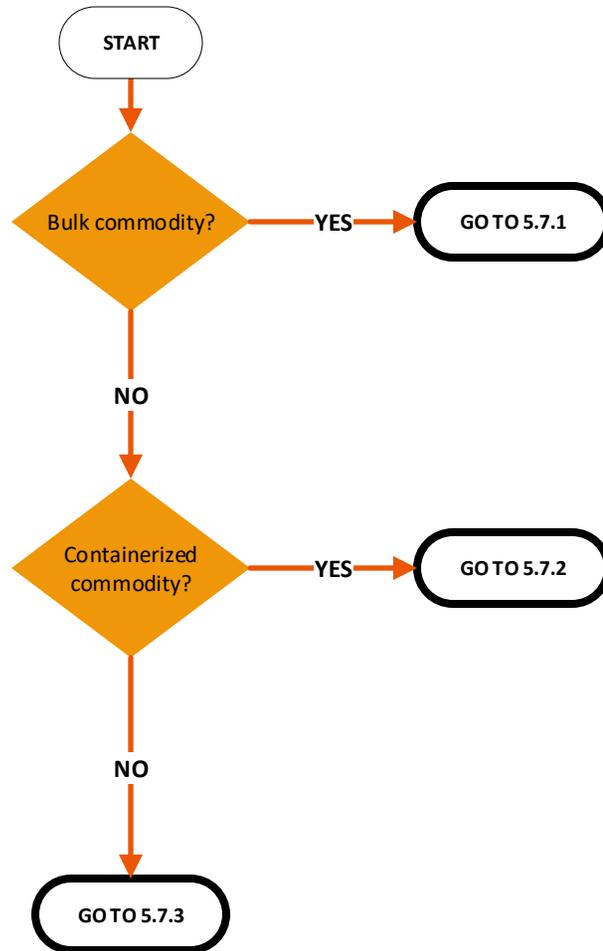


# 5.0 PORT OPERATIONS

## 5.6.4 Move commodity to quarantine warehouse (upon vessel arrival)



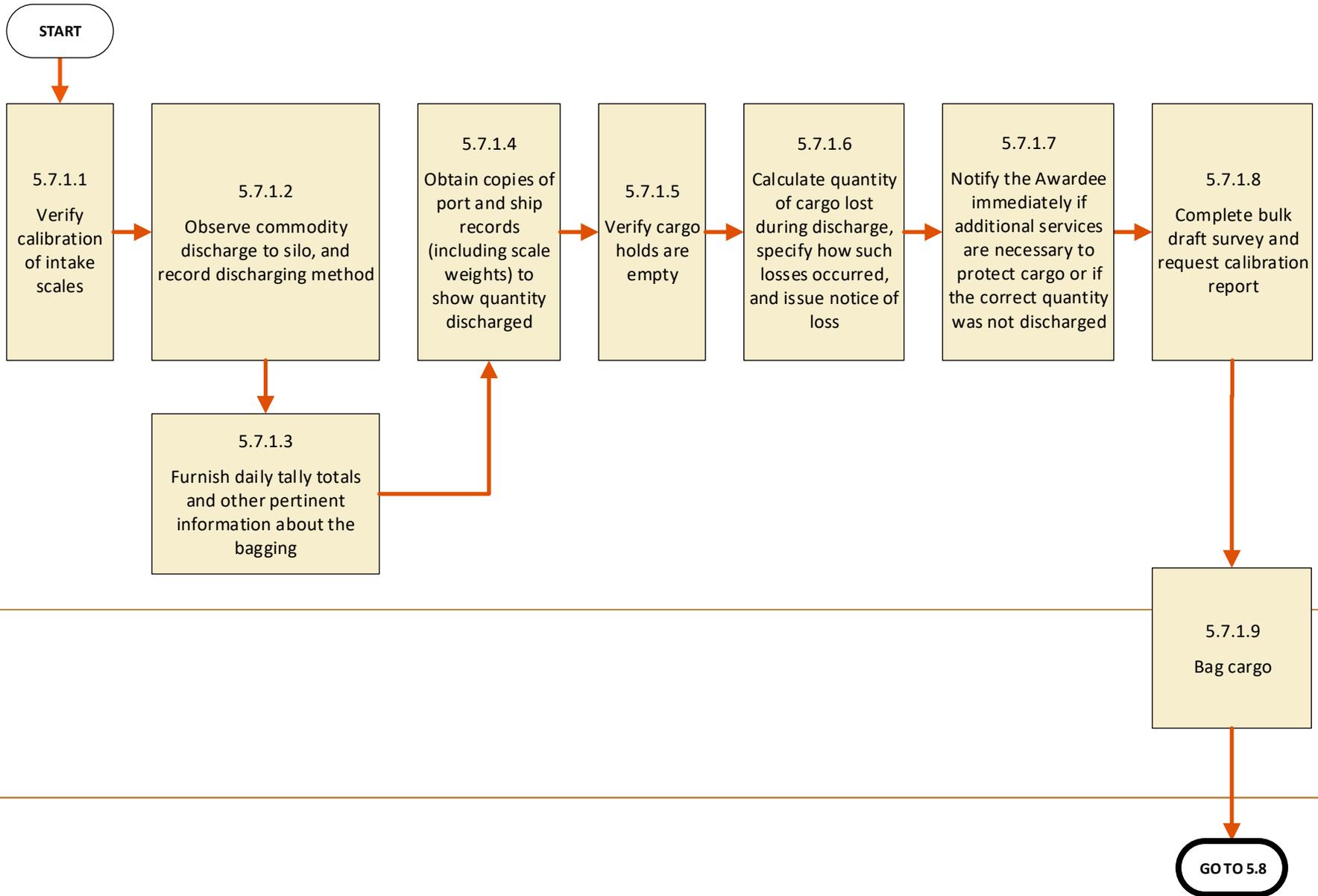
5.7 Discharge commodity from vessel



## 5.0 PORT OPERATIONS

### 5.7.1 Discharge BULK commodity from vessel

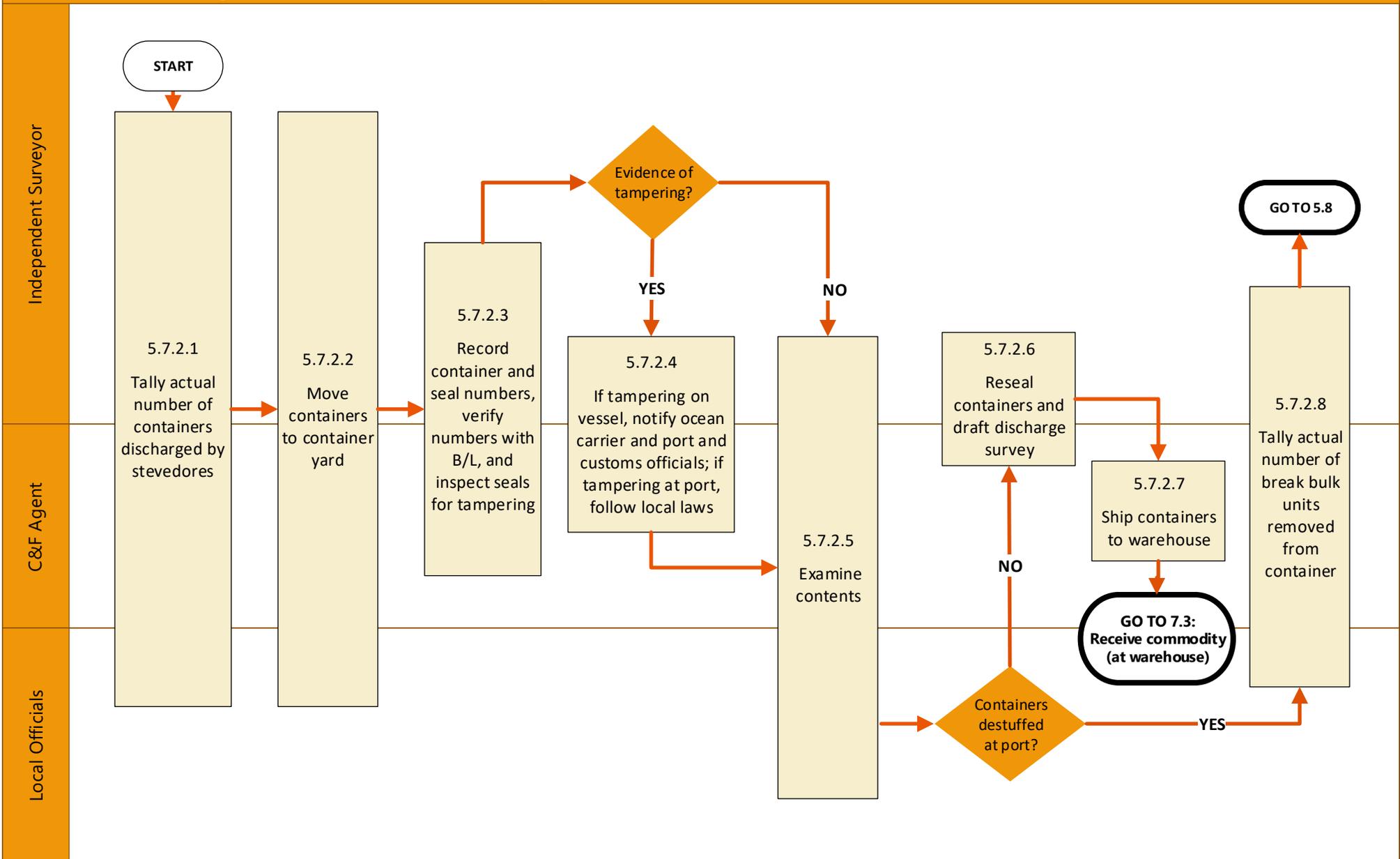
Independent Surveyor



Port  
Authorities

# 5.0 PORT OPERATIONS

## 5.7.2 Discharge CONTAINERIZED commodity from vessel



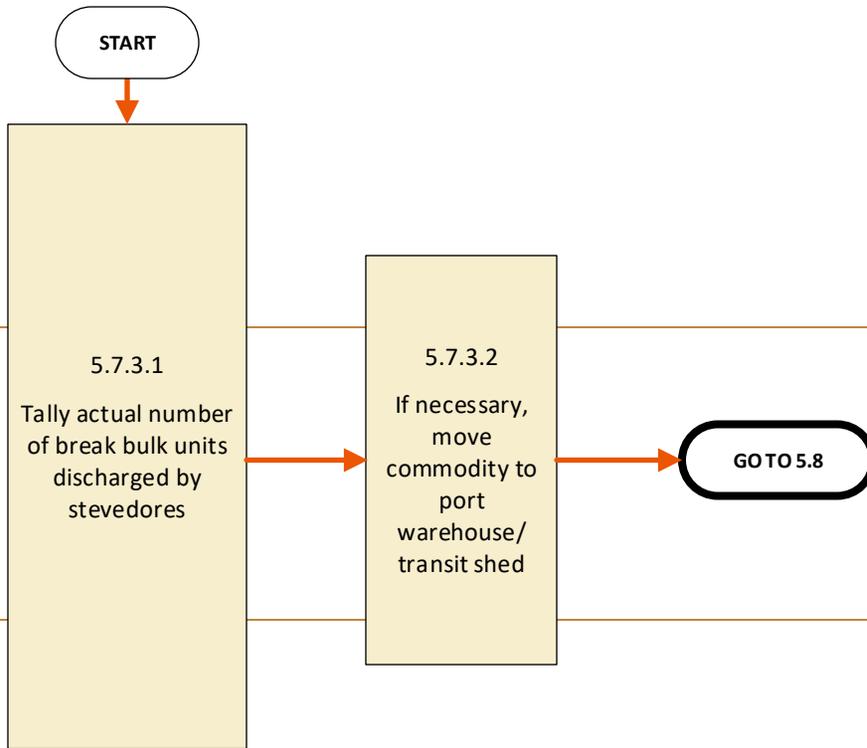
## 5.0 PORT OPERATIONS

### 5.7.3 Discharge BREAK BULK commodity from vessel

Independent Surveyor

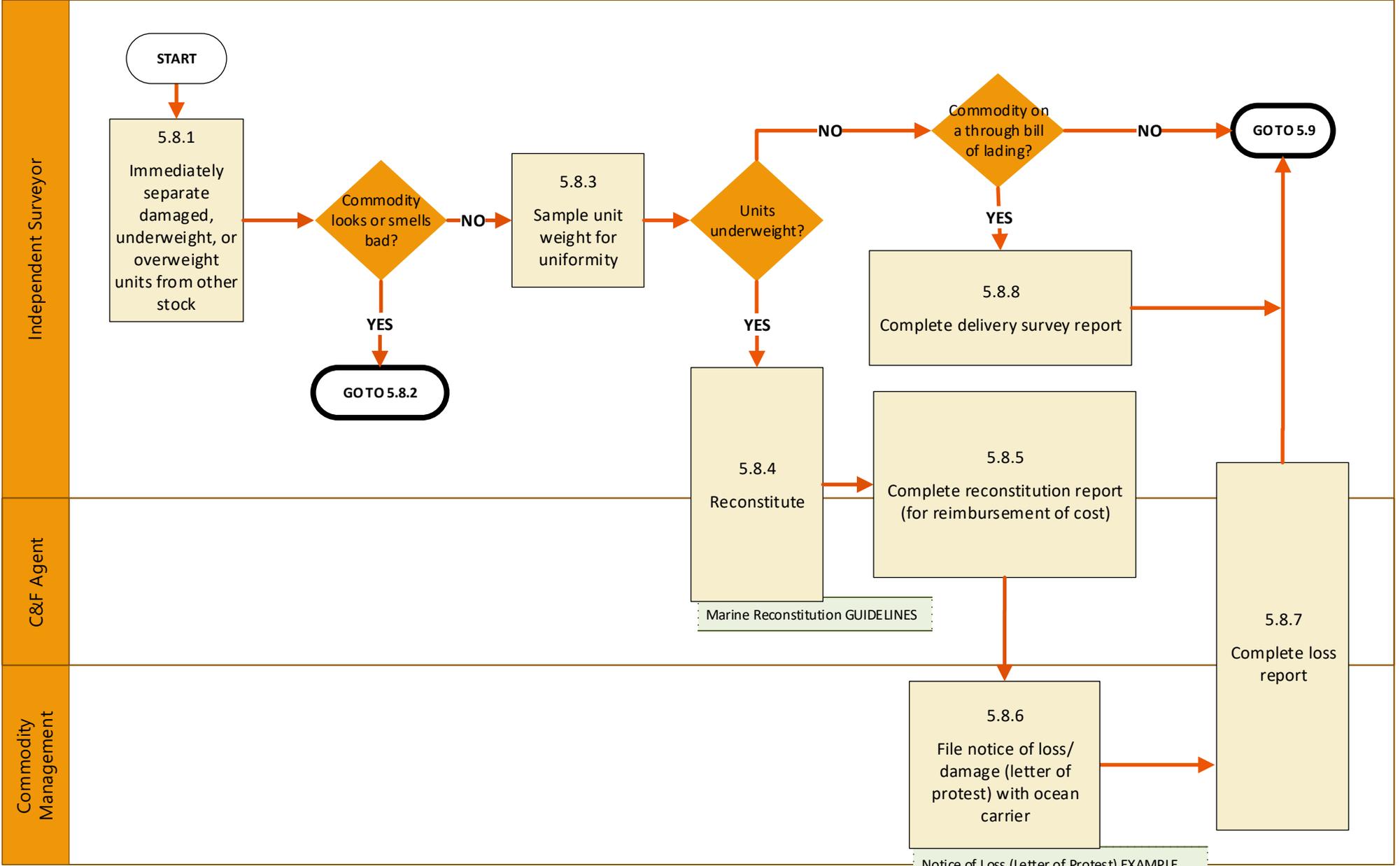
C&F Agent

Local Officials



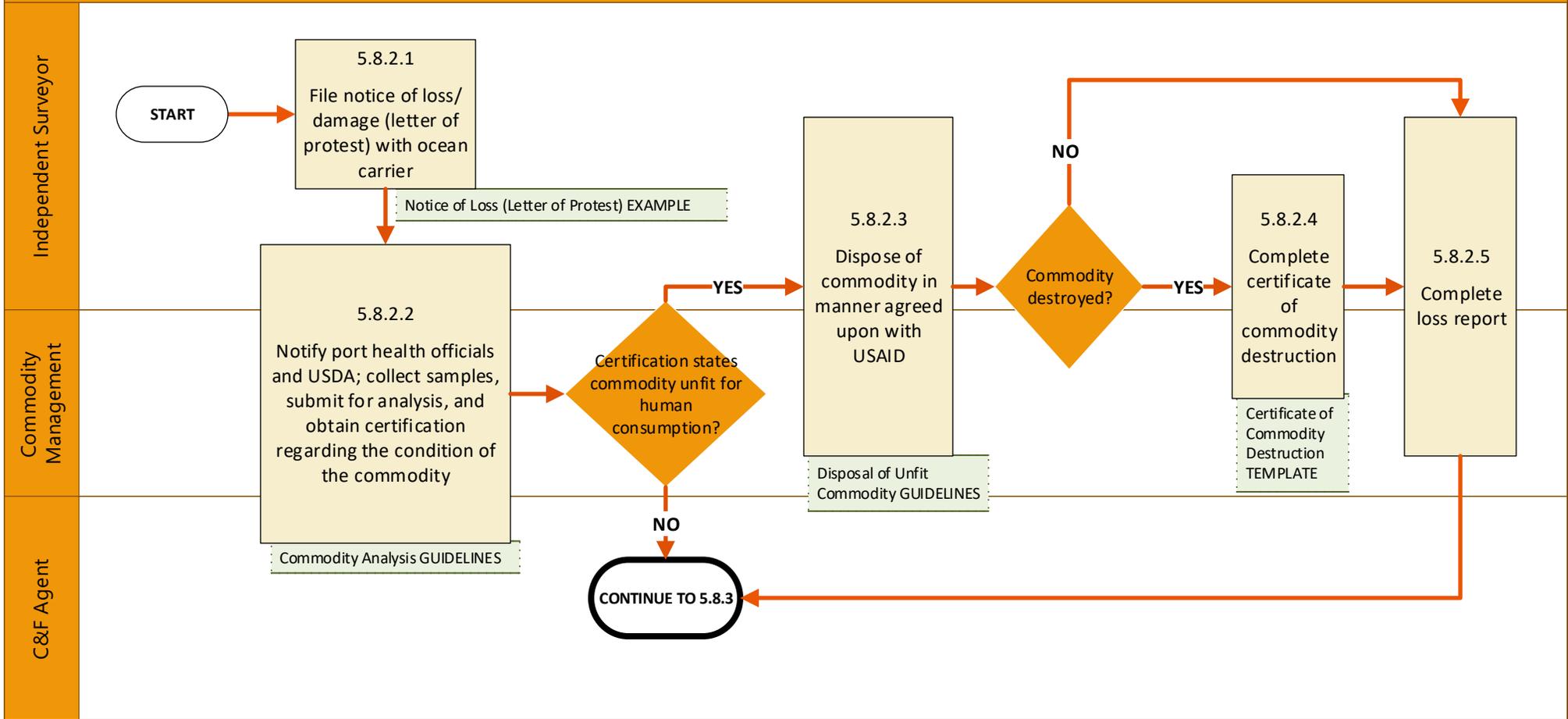
# 5.0 PORT OPERATIONS

## 5.8 Inspect commodity



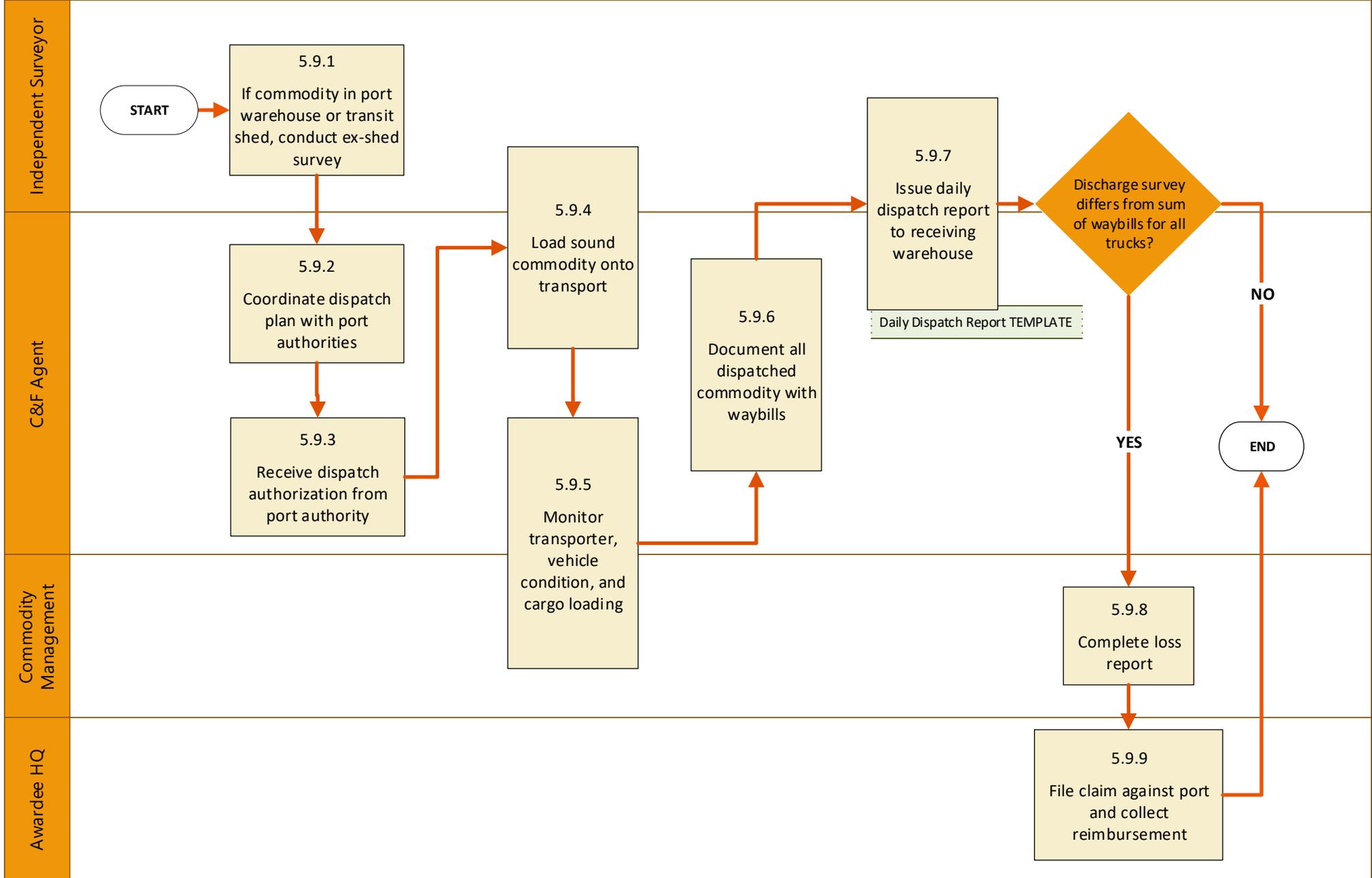
# 5.0 PORT OPERATIONS

## 5.8.2 Commodity looks or smells bad



# 5.0 PORT OPERATIONS

## 5.9 Dispatch commodity from port



# 5.0 PORT OPERATIONS

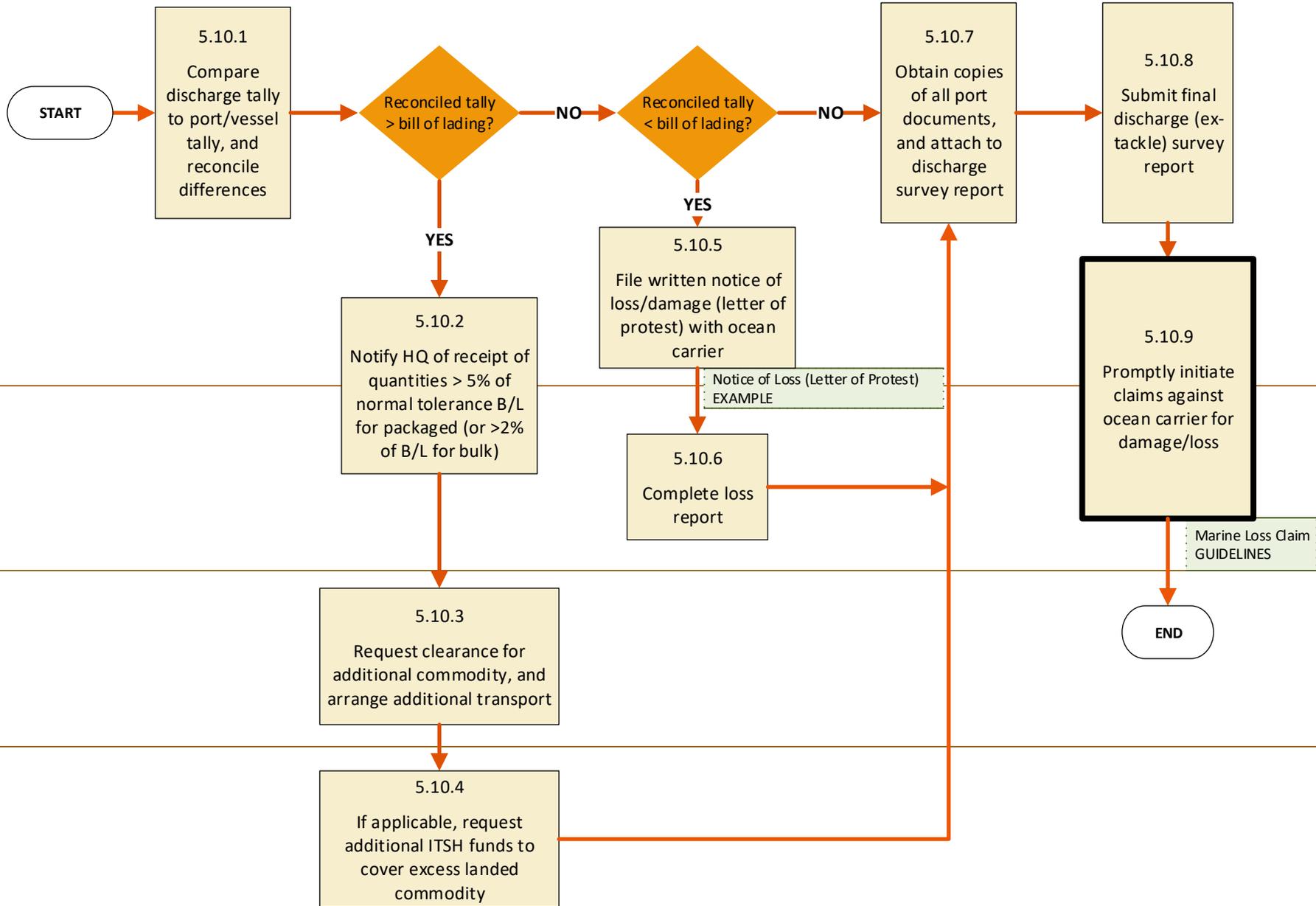
## 5.10 Complete discharge survey report

Independent Surveyor

Commodity Management

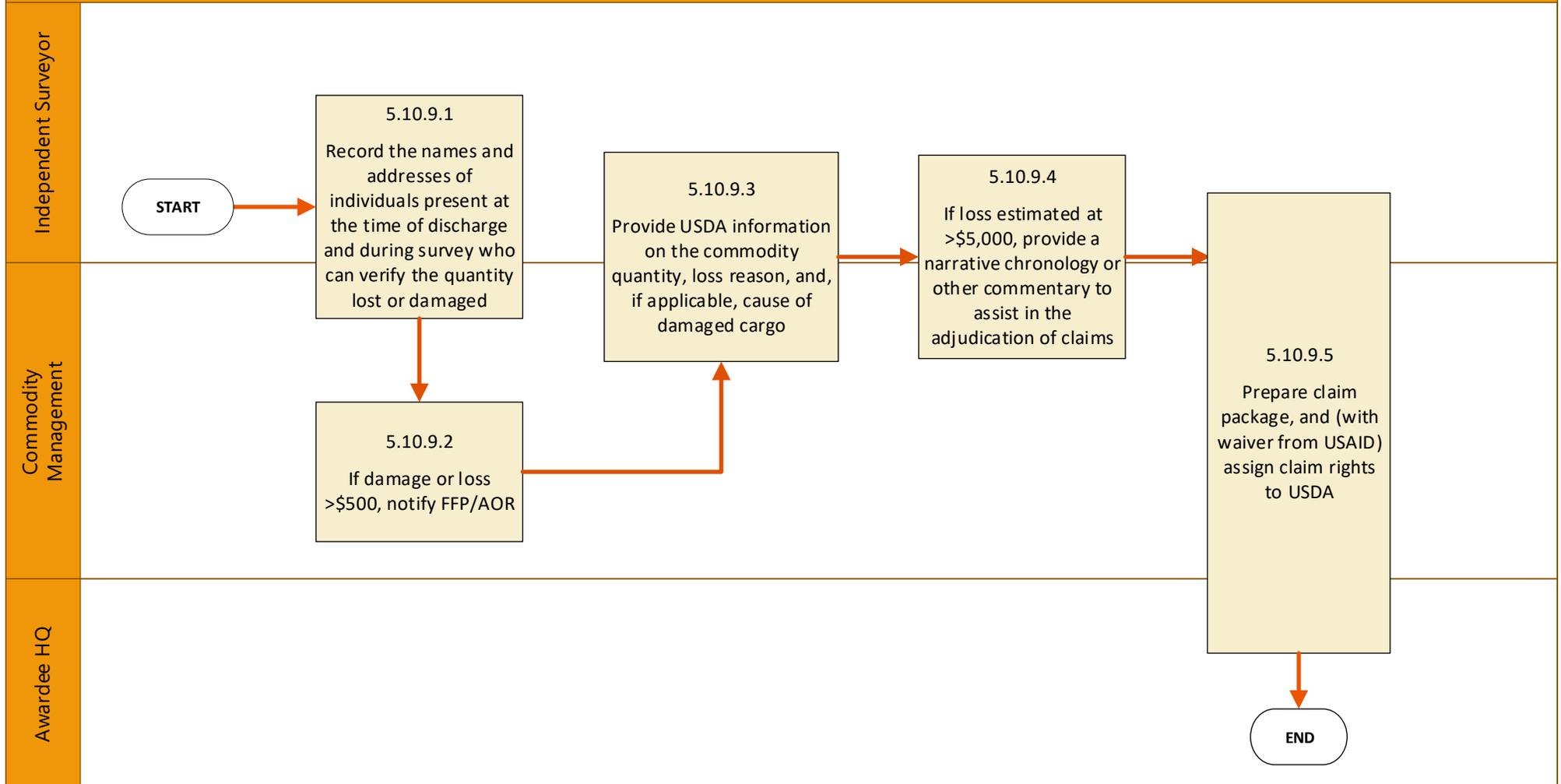
C&F Agent

COP

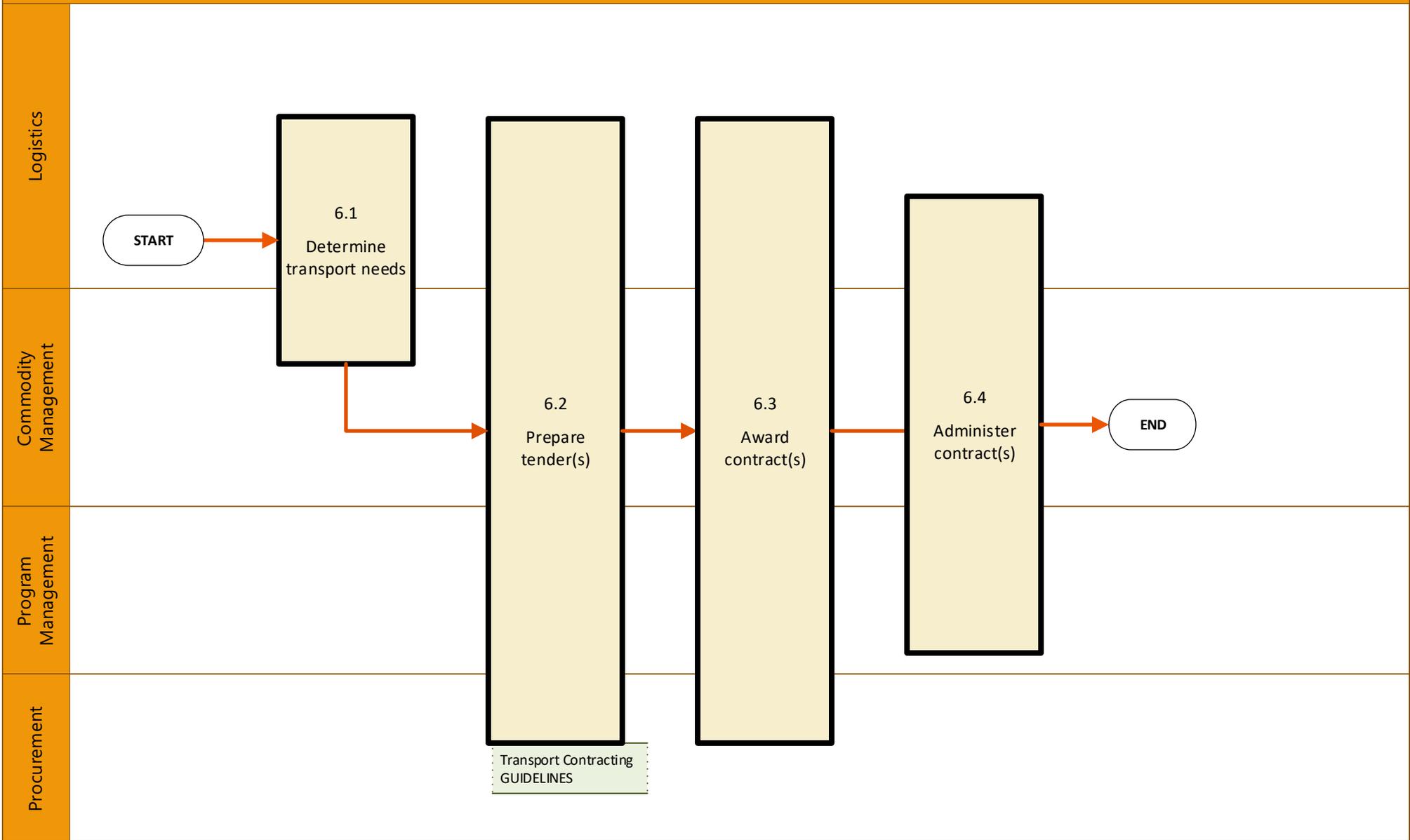


## 5.0 PORT OPERATIONS

### 5.10.9 Promptly initiate claims against ocean carrier for damage or loss

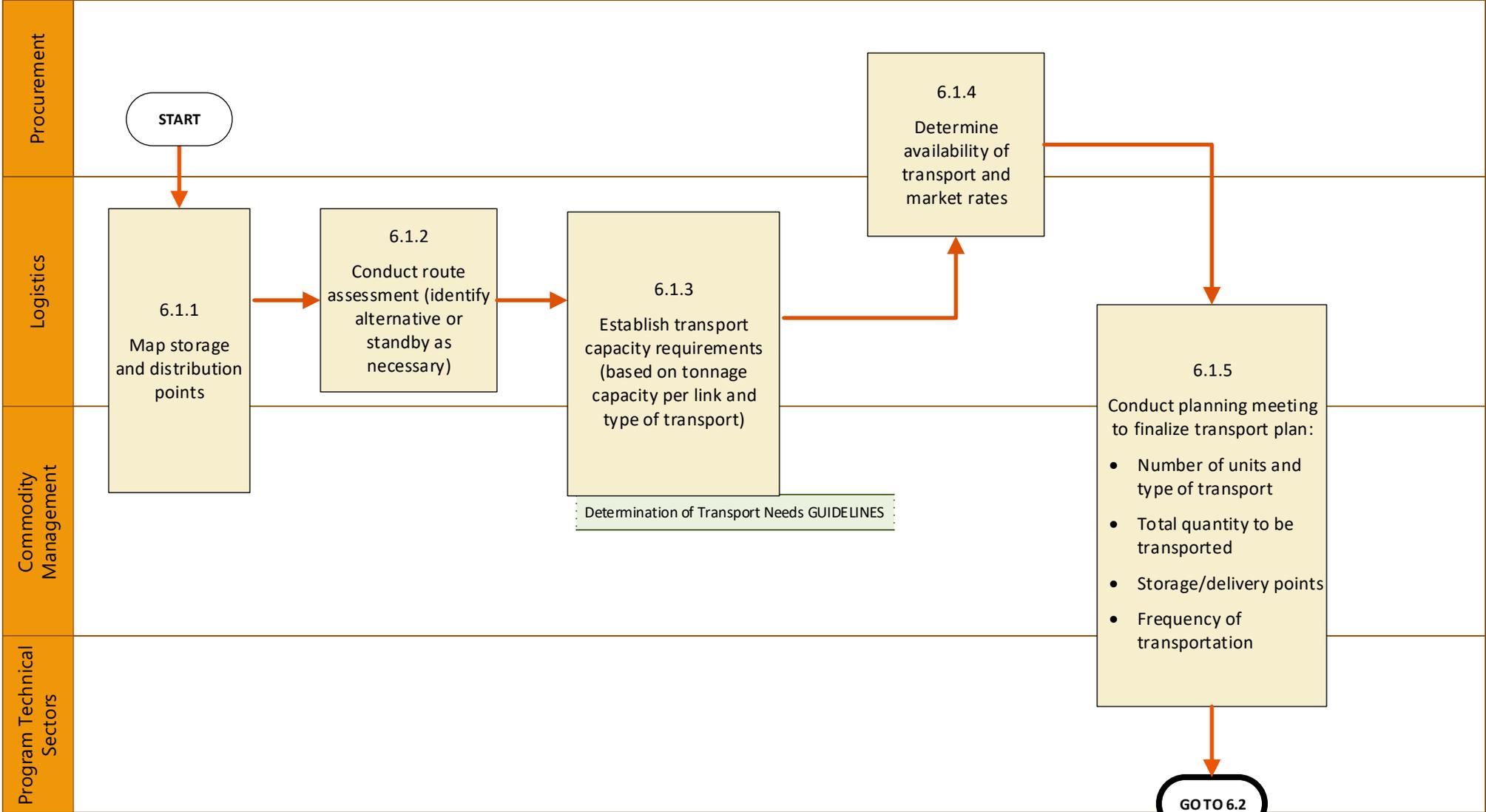


# 6.0 TRANSPORT



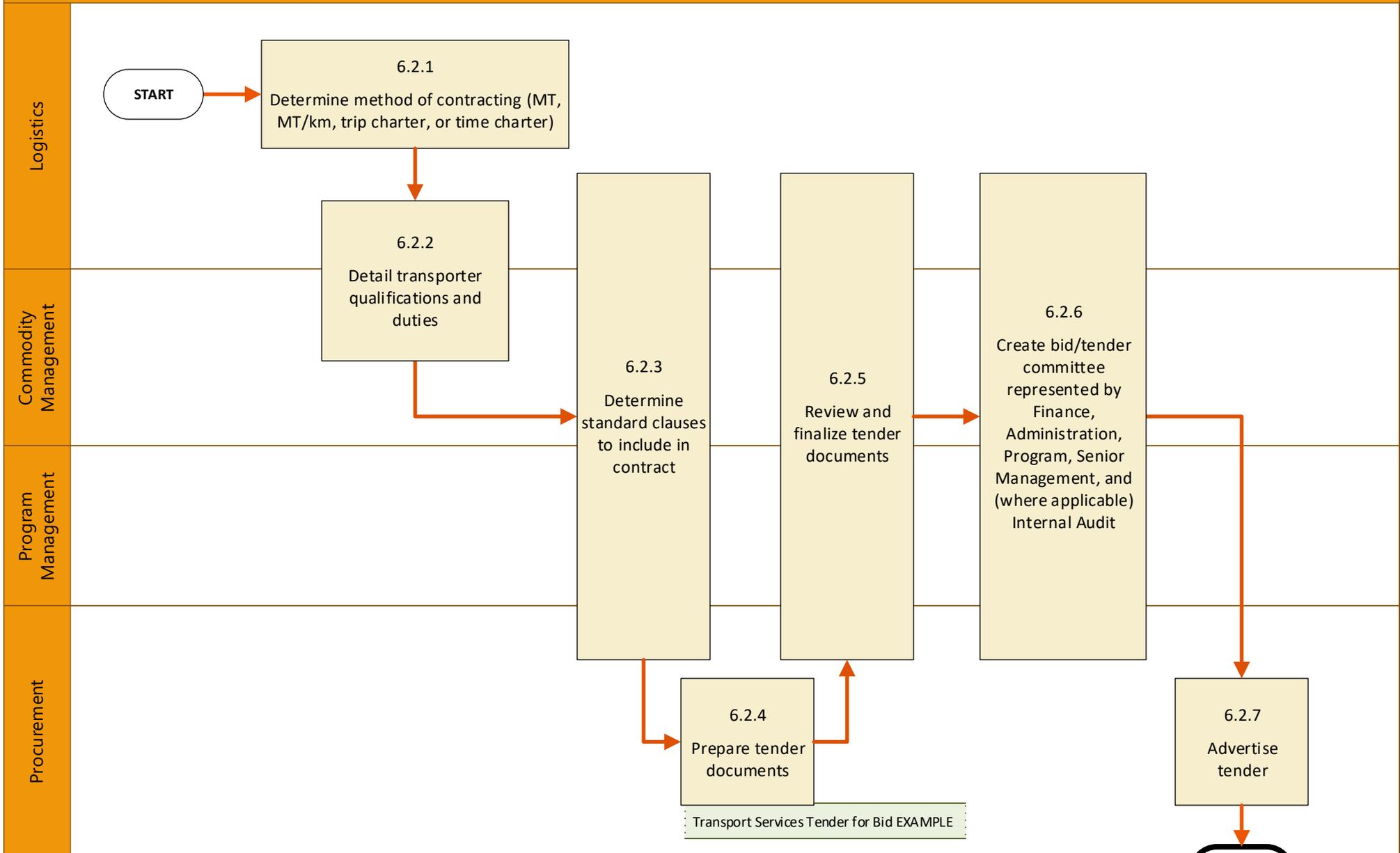
# 6.0 TRANSPORT

## 6.1 Determine transport needs



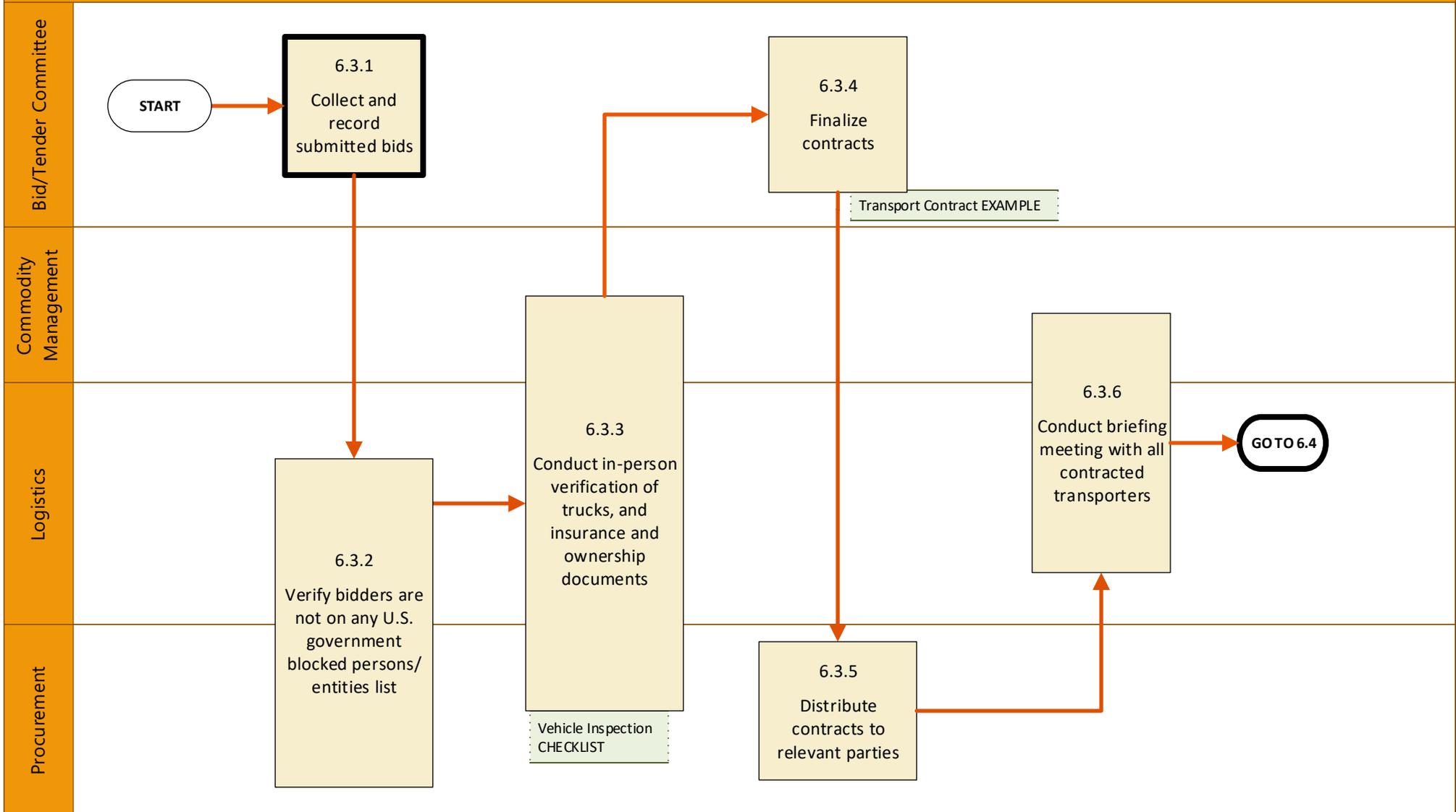
# 6.0 TRANSPORT

## 6.2 Prepare tender(s)



# 6.0 TRANSPORT

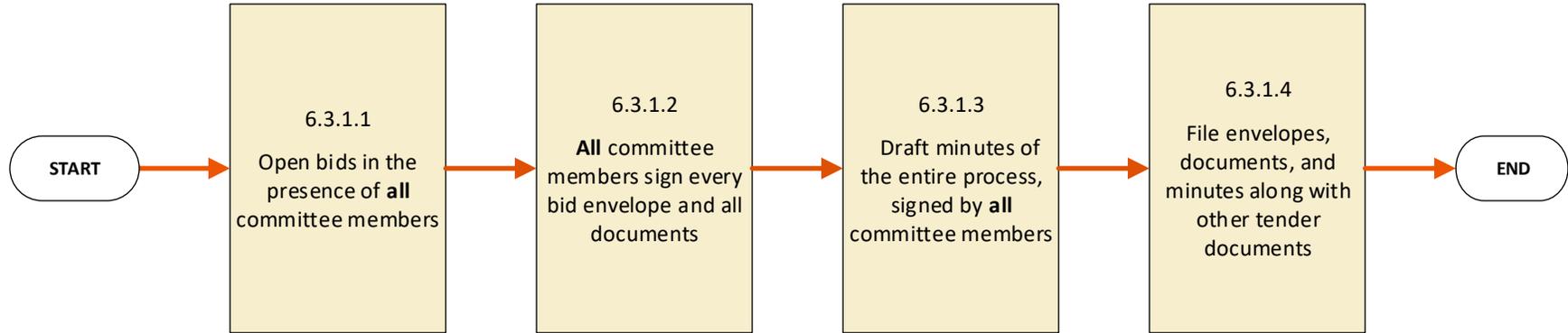
## 6.3 Award contract(s)



## 6.0 TRANSPORT

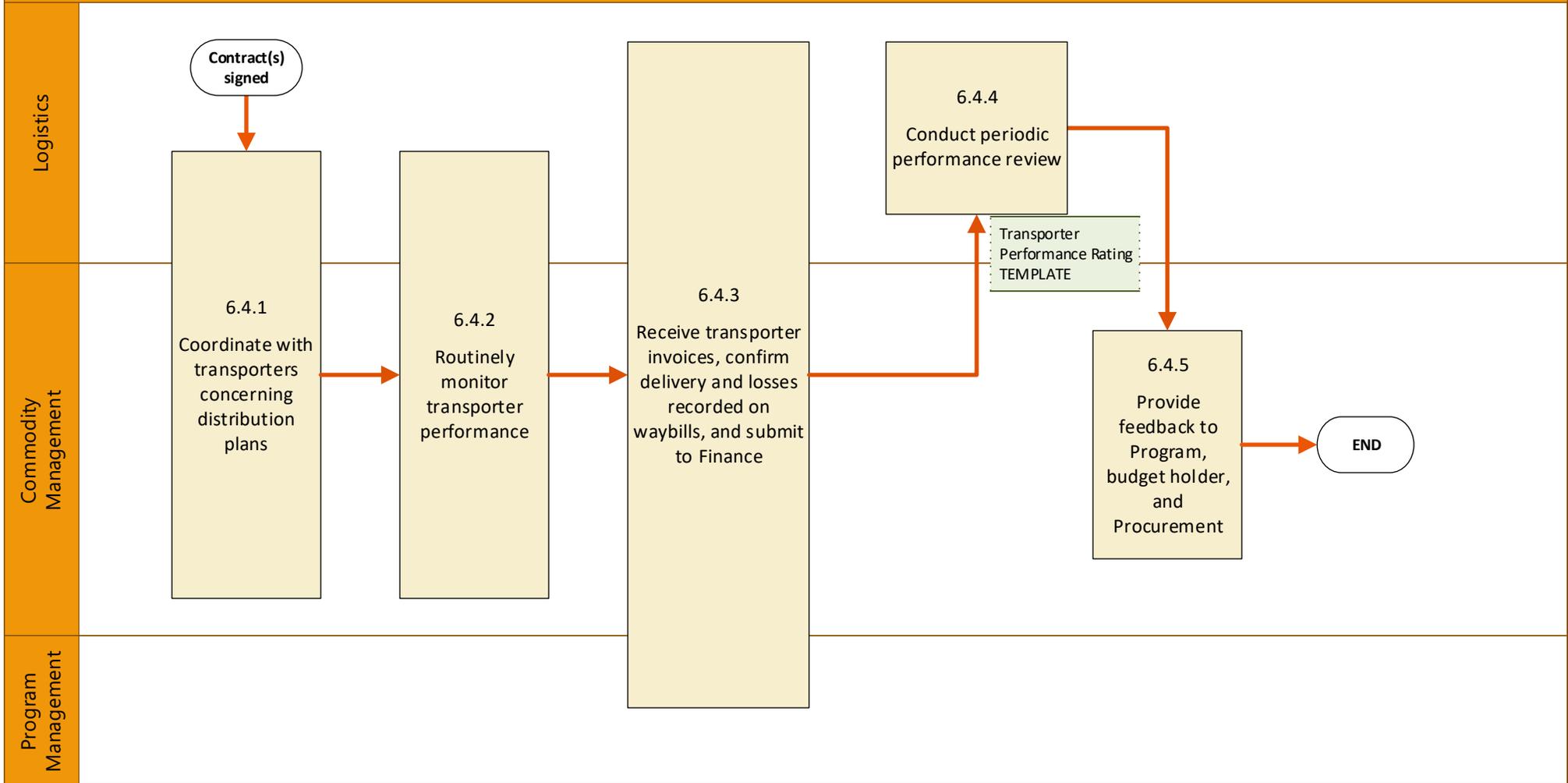
### 6.3.1 Collect and record submitted bids

Bid/Tender Committee

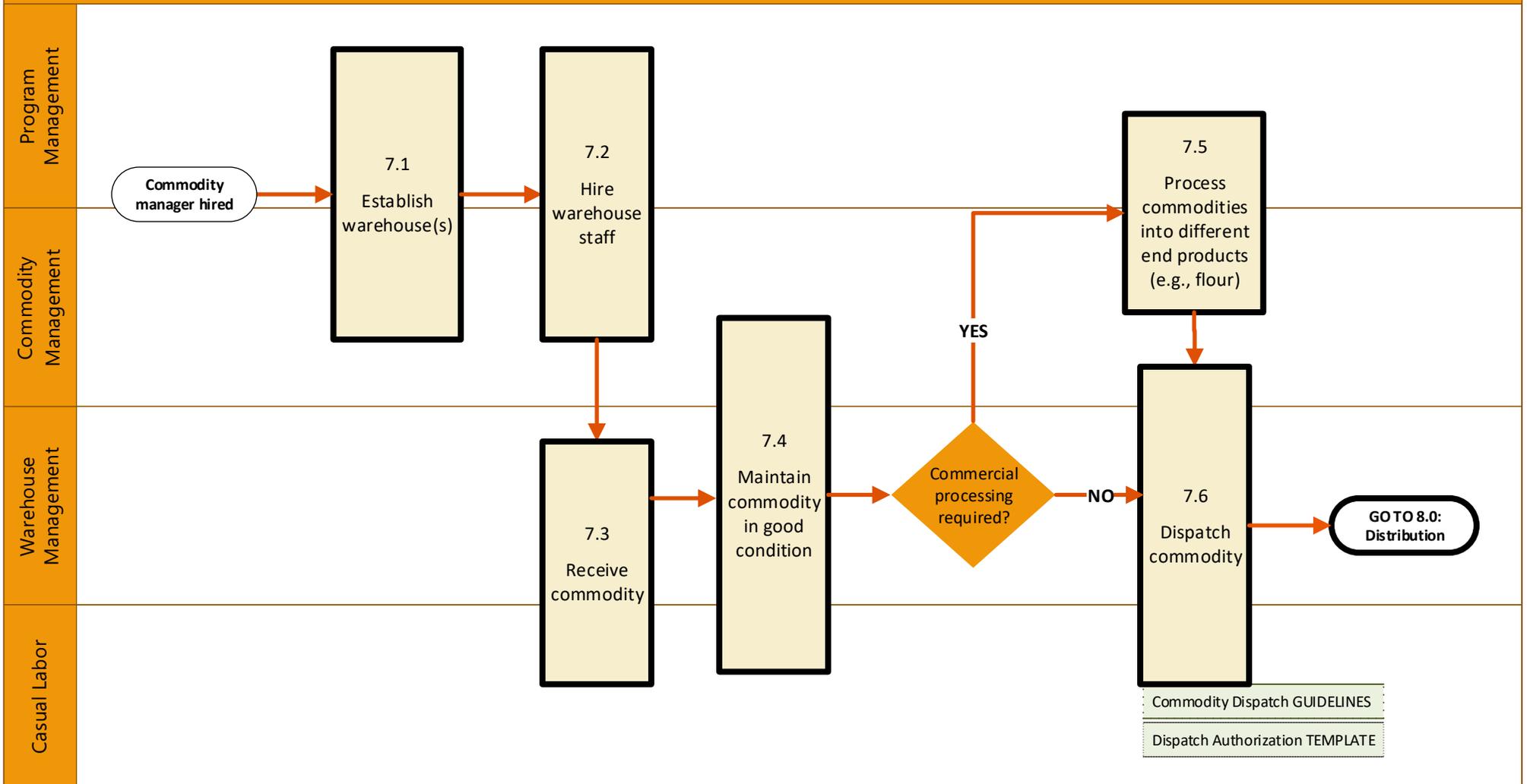


# 6.0 TRANSPORT

## 6.4 Administer contract(s)

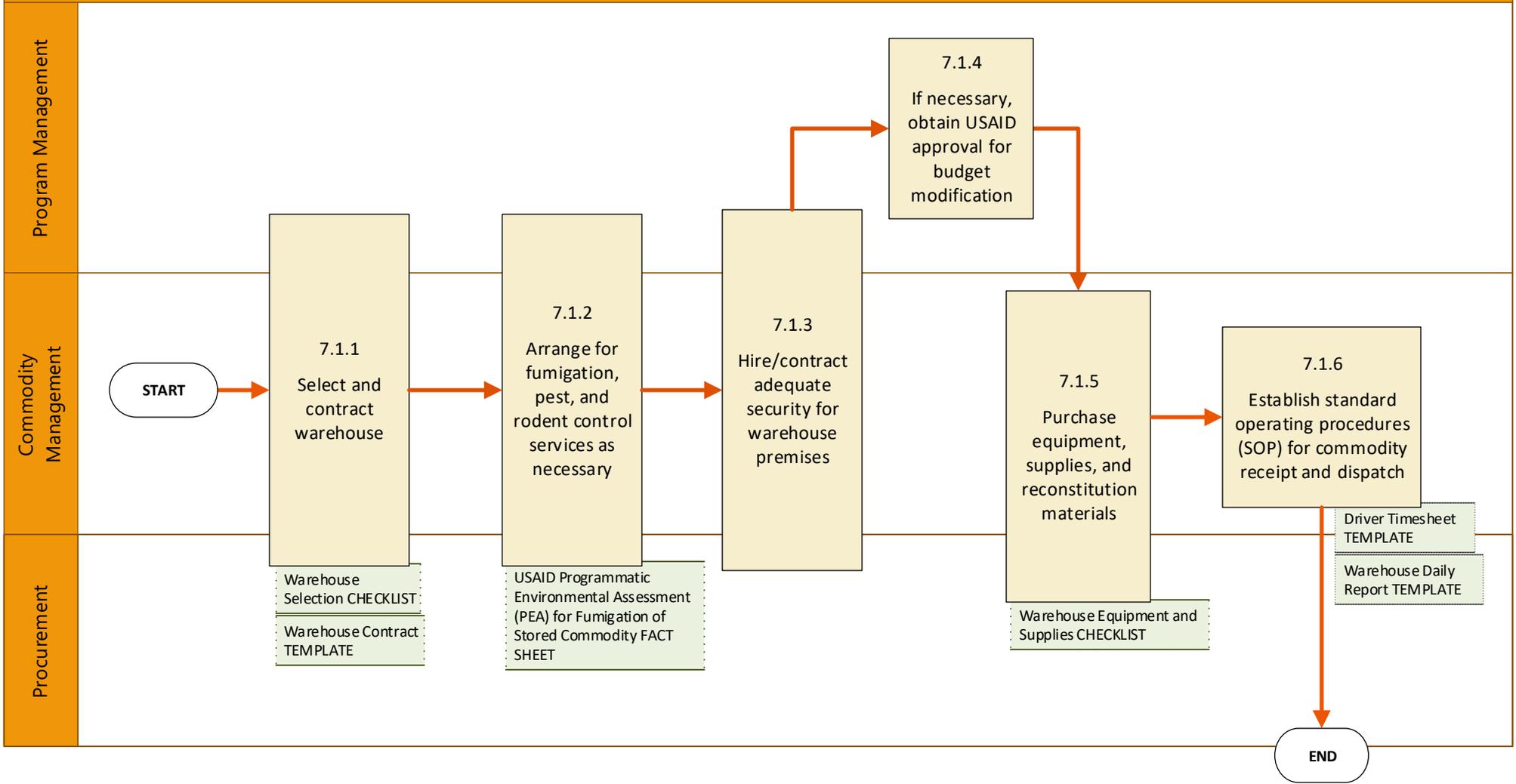


# 7.0 WAREHOUSING



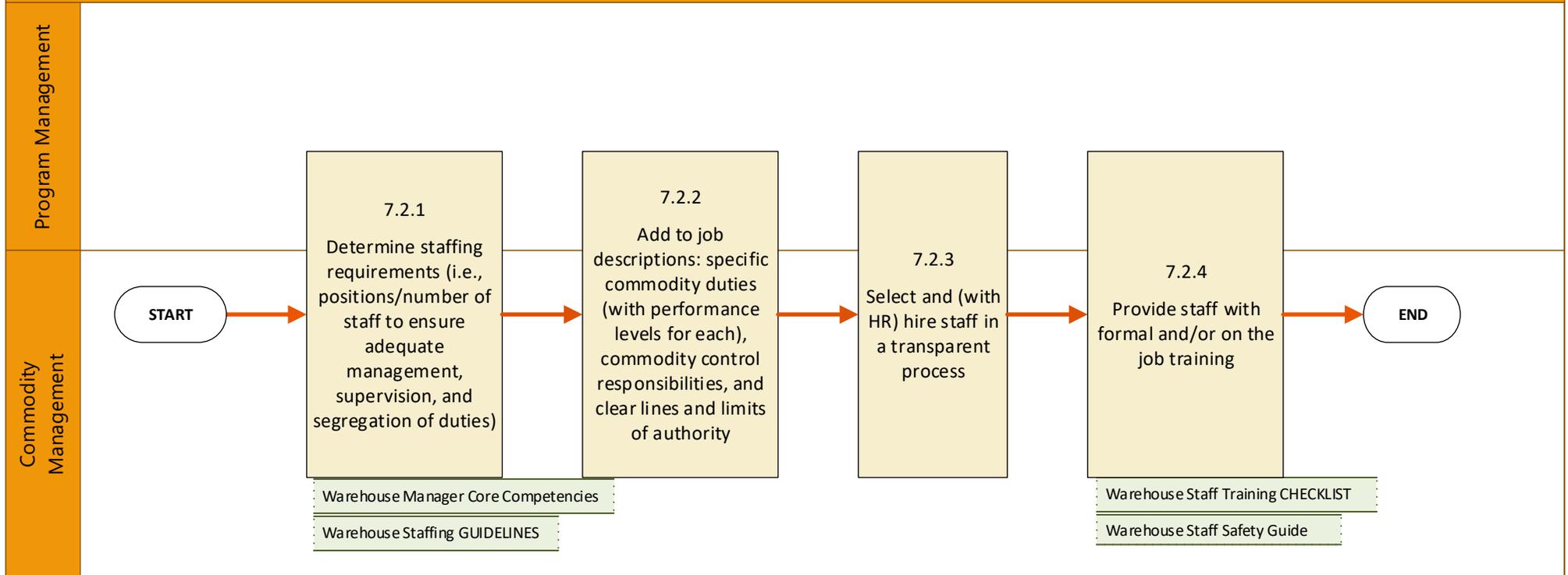
# 7.0 WAREHOUSING

## 7.1 Establish warehouse(s)



# 7.0 WAREHOUSING

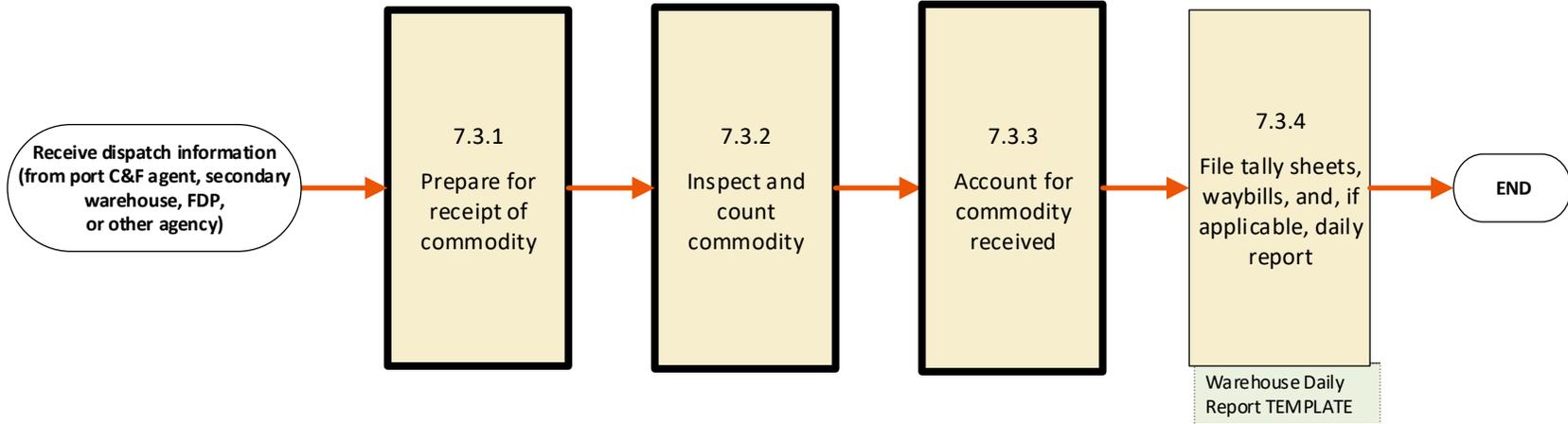
## 7.2 Hire warehouse staff



## 7.0 WAREHOUSING

### 7.3 Receive commodity

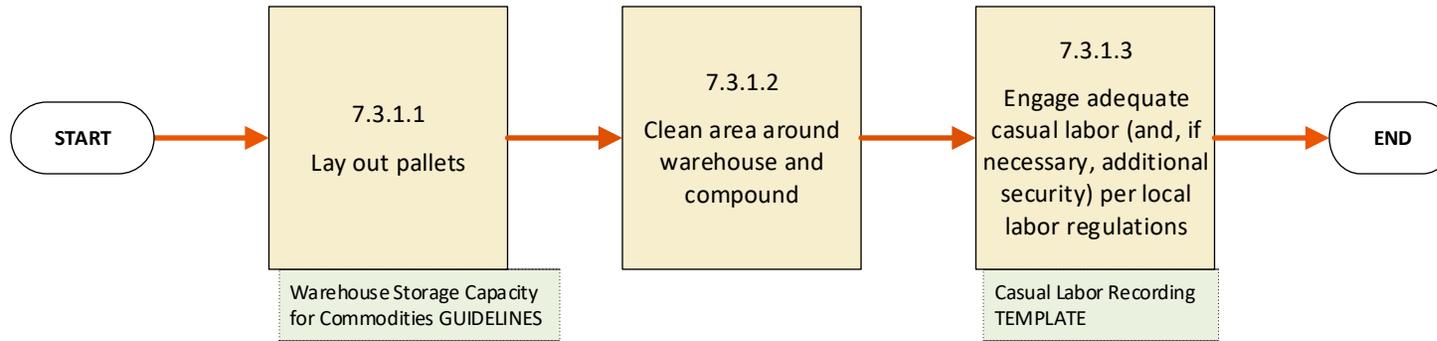
Warehouse  
Management



## 7.0 WAREHOUSING

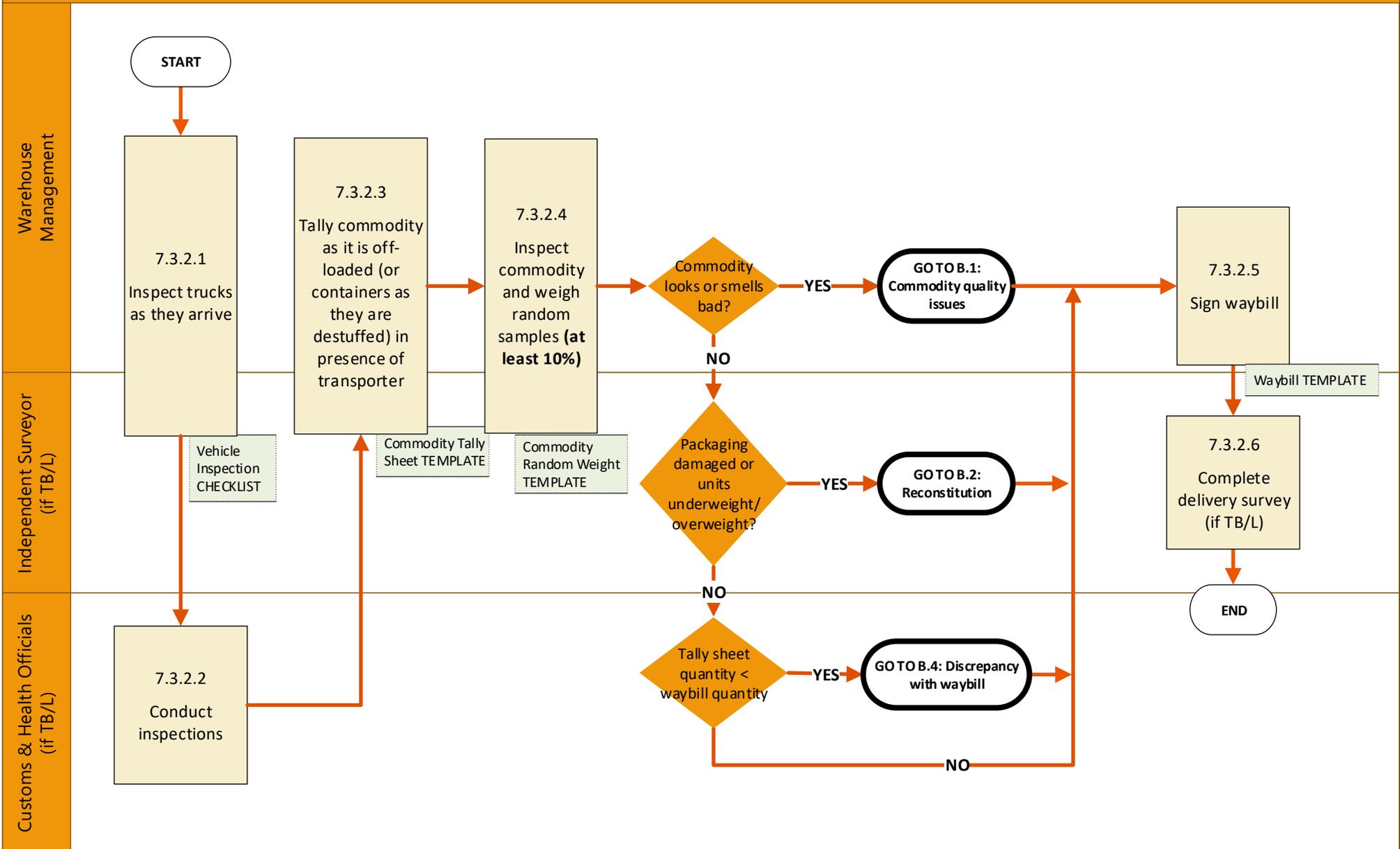
### 7.3.1 Prepare for receipt of commodity

Warehouse  
Management



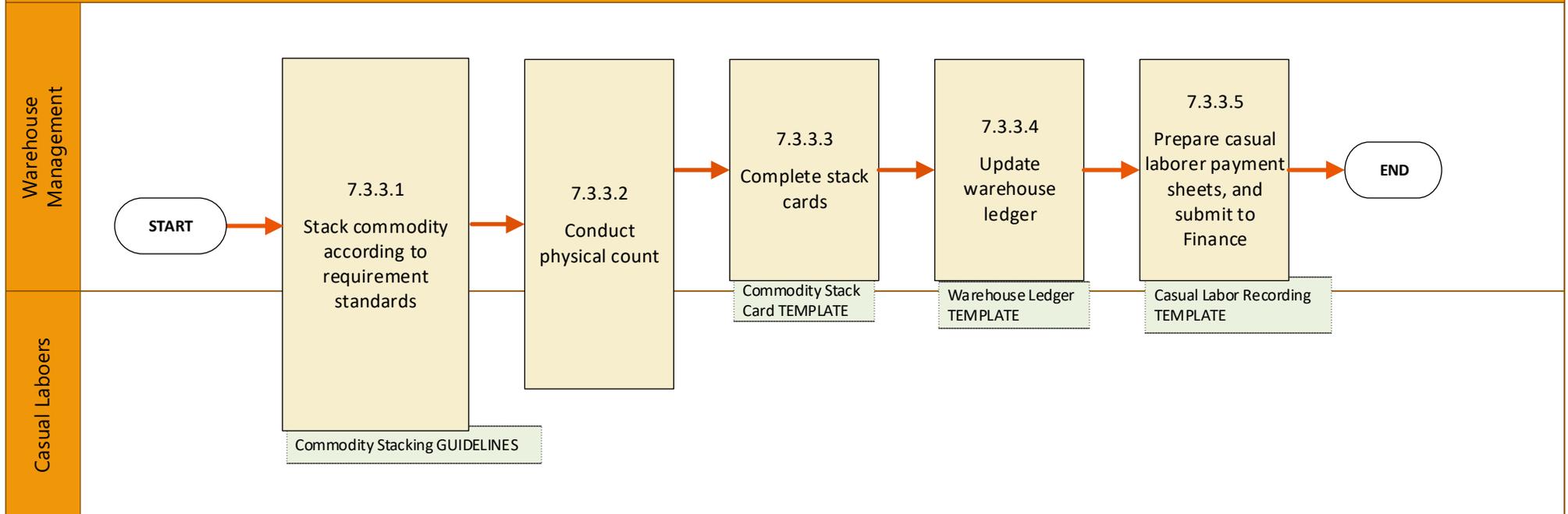
# 7.0 WAREHOUSING

## 7.3.2 Inspect and count commodity



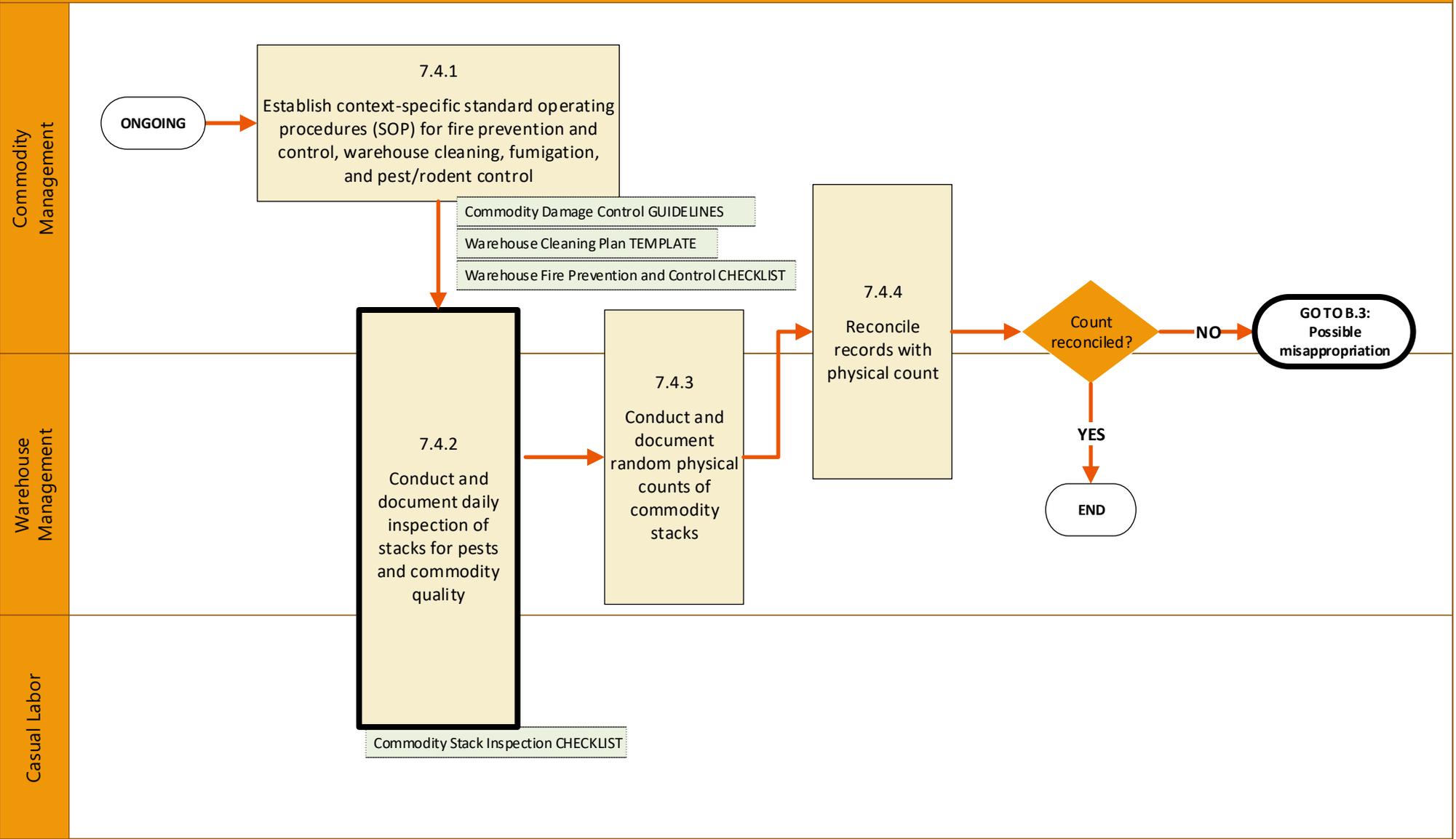
## 7.0 WAREHOUSING

### 7.3.3 Account for commodity received



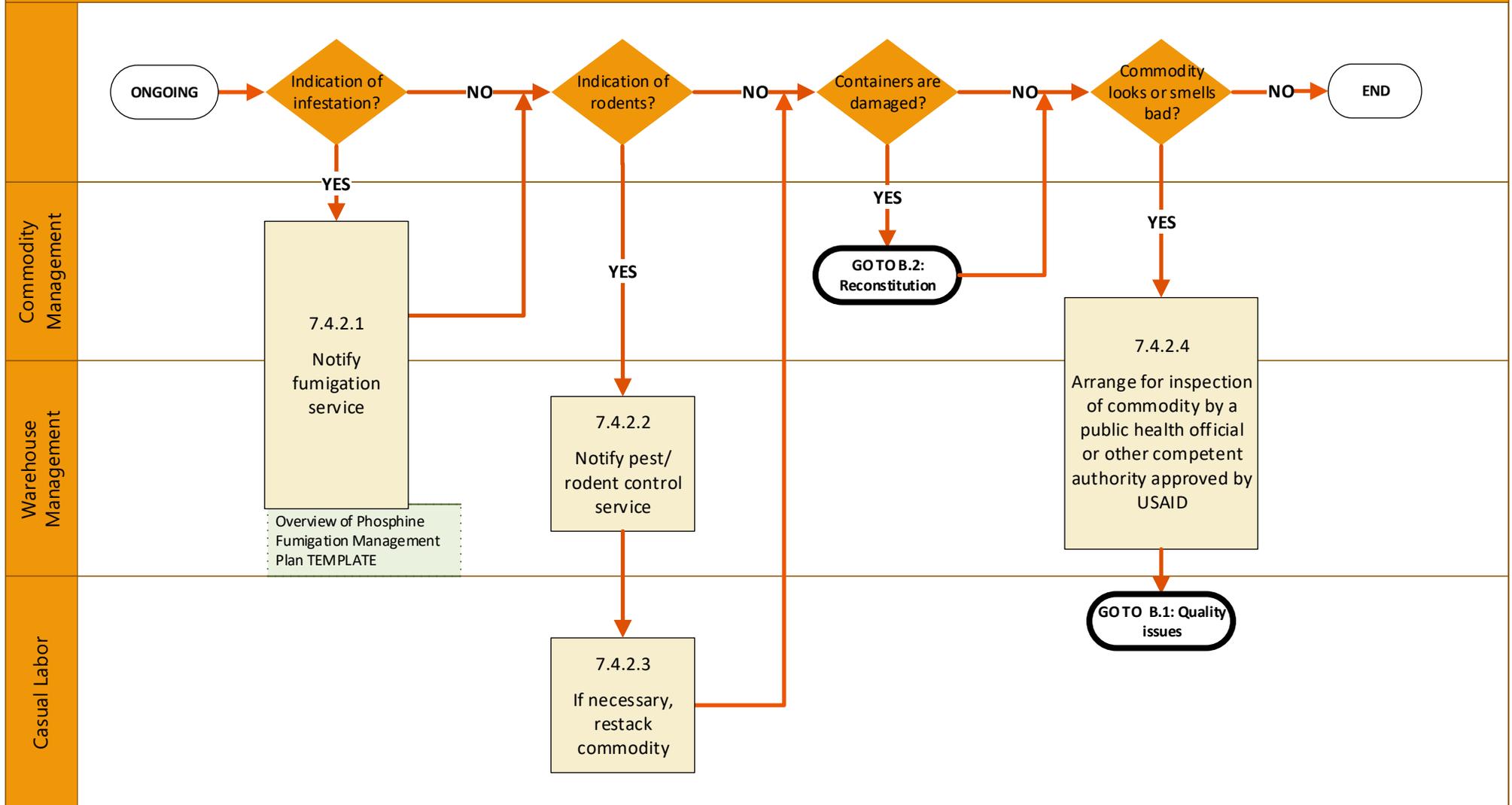
# 7.0 WAREHOUSING

## 7.4 Maintain commodity in good condition



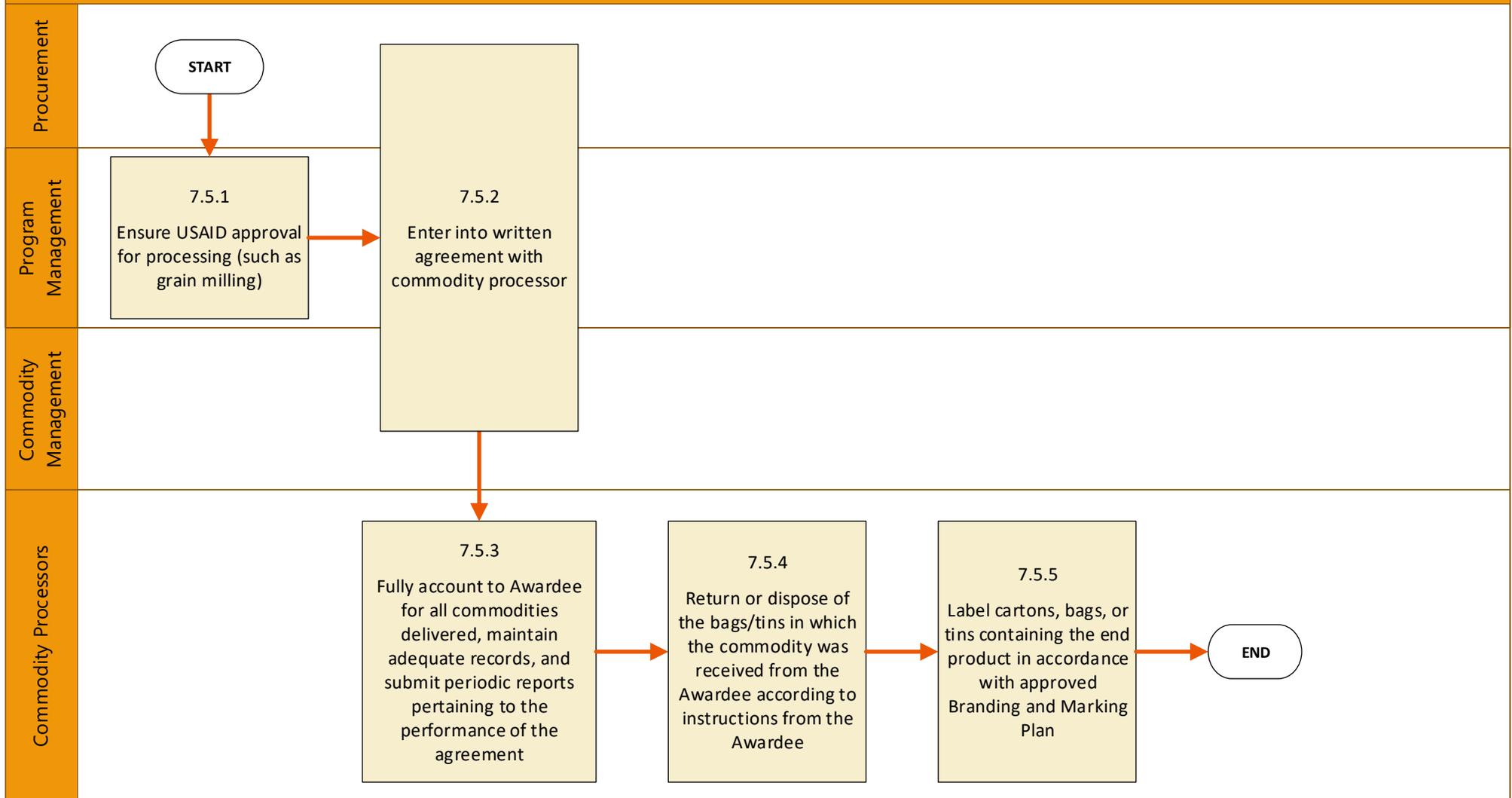
# 7.0 WAREHOUSING

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



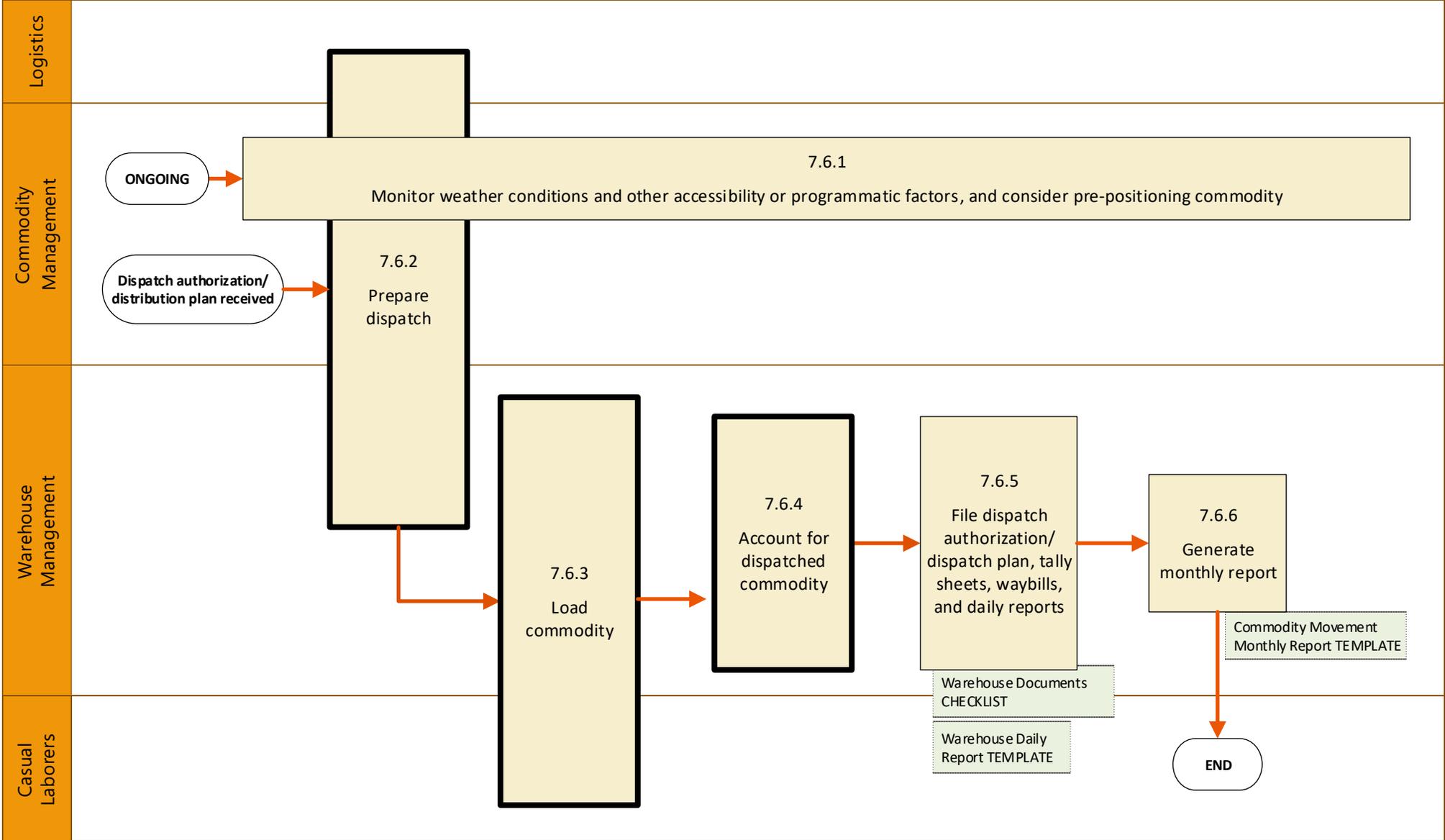
## 7.0 WAREHOUSING

### 7.5 Process commodity into different end product



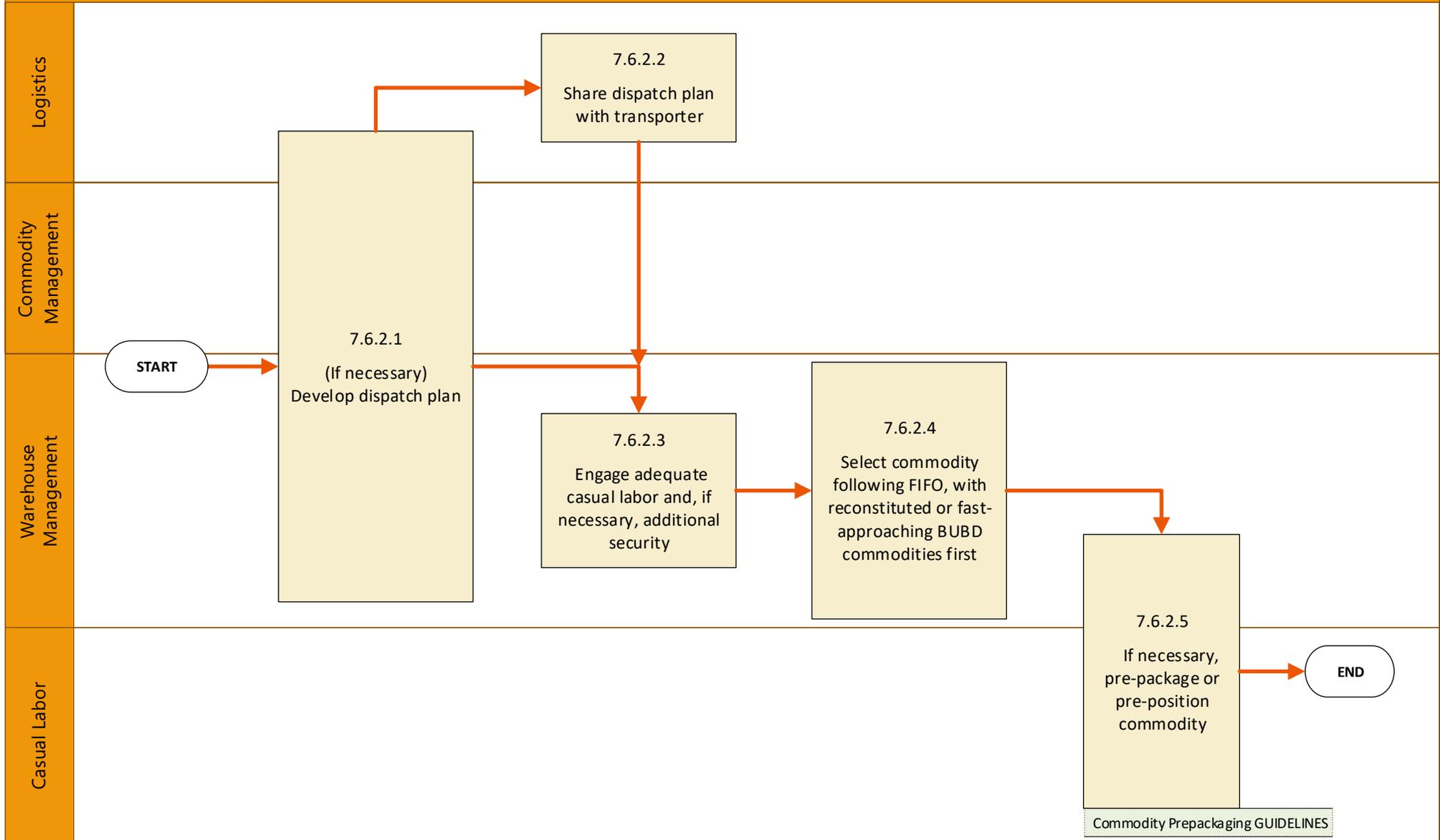
# 7.0 WAREHOUSING

## 7.6 Dispatch commodity



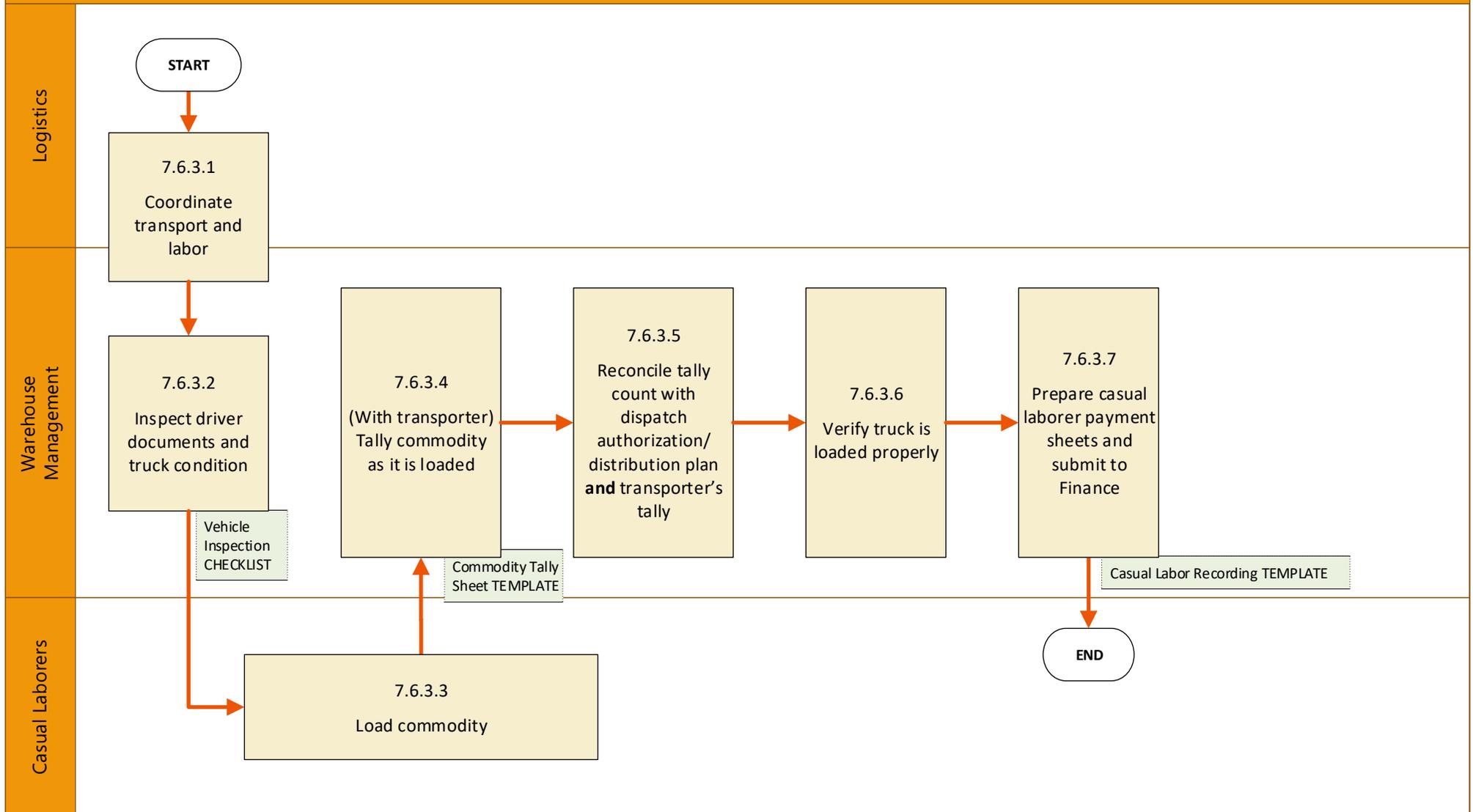
# 7.0 WAREHOUSING

## 7.6.2 Prepare dispatch



# 7.0 WAREHOUSING

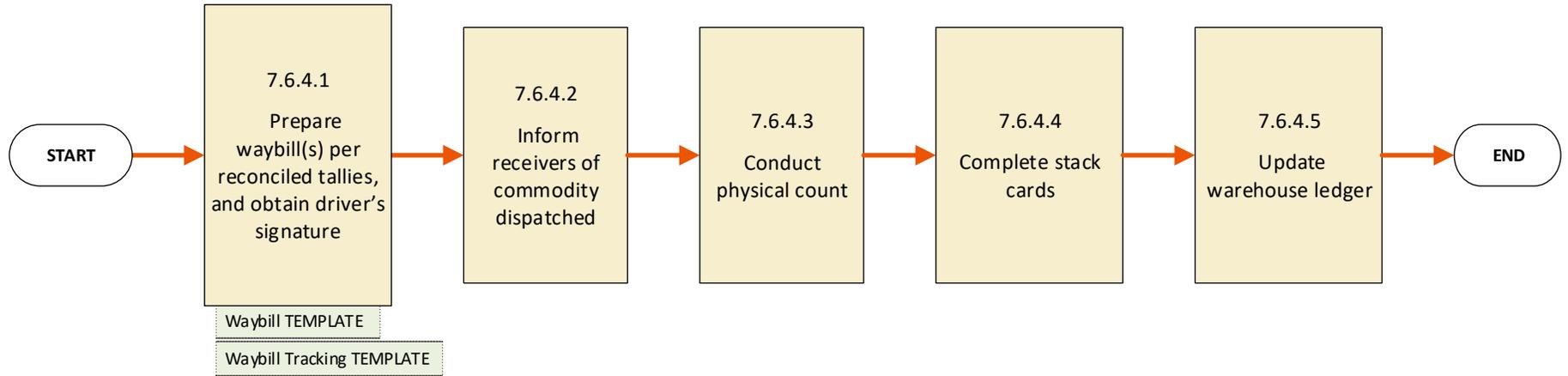
## 7.6.3 Load commodity



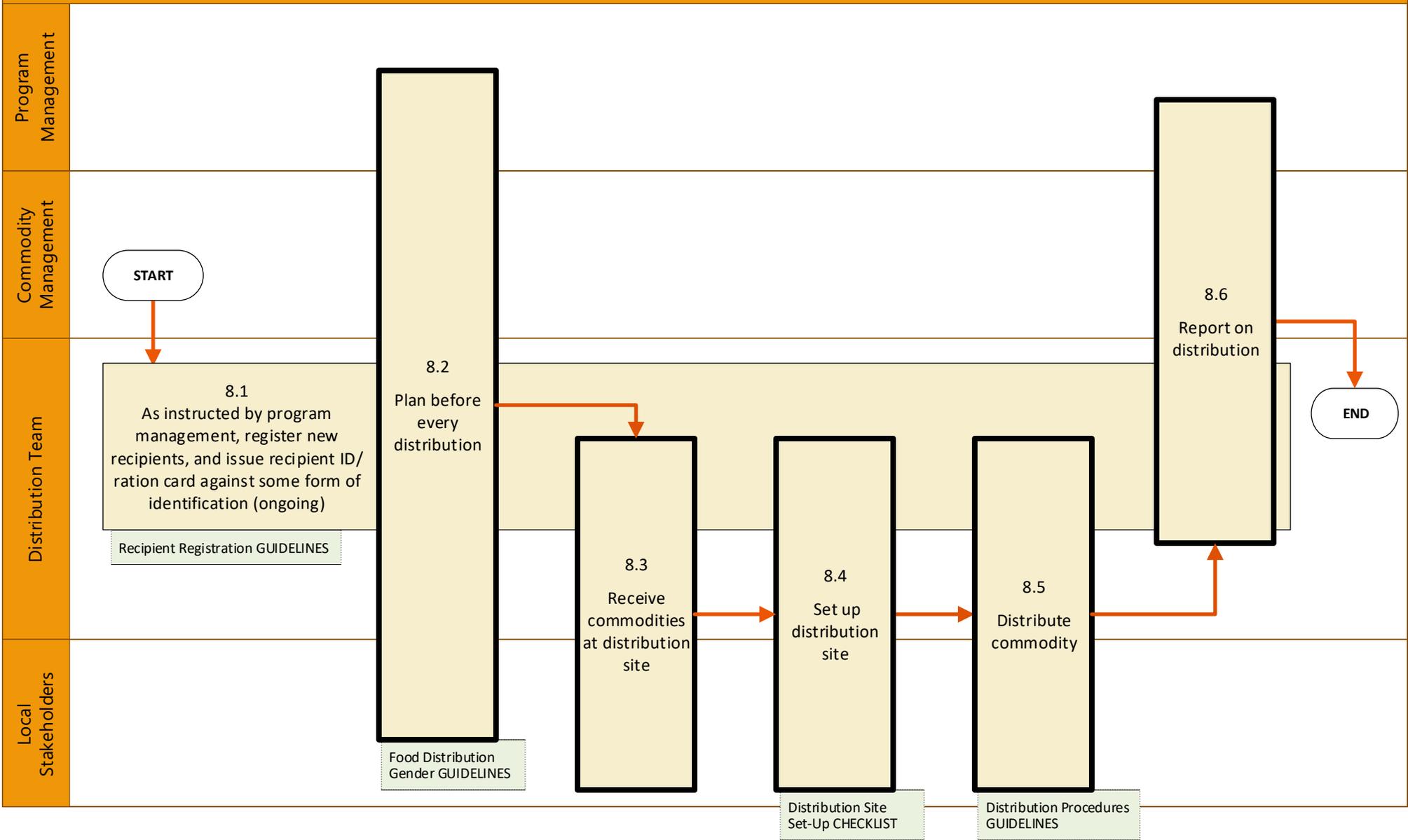
## 7.0 WAREHOUSING

### 7.6.4 Account for dispatched commodity

Warehouse  
Management



# 8.0 DISTRIBUTION

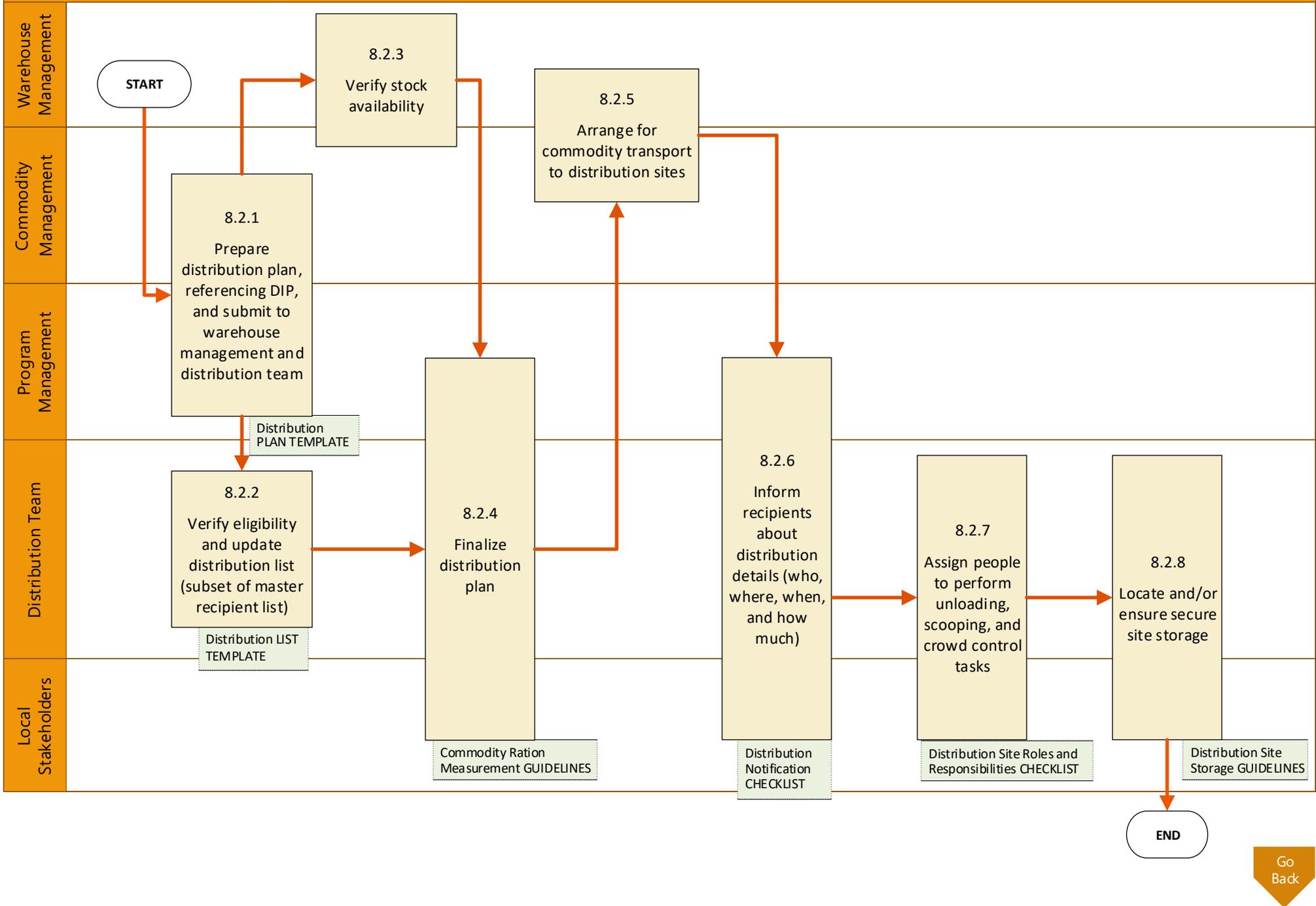


[Click here for all sub-process tools](#)

Go Back

# 8.0 DISTRIBUTION

## 8.2 Plan before every distribution

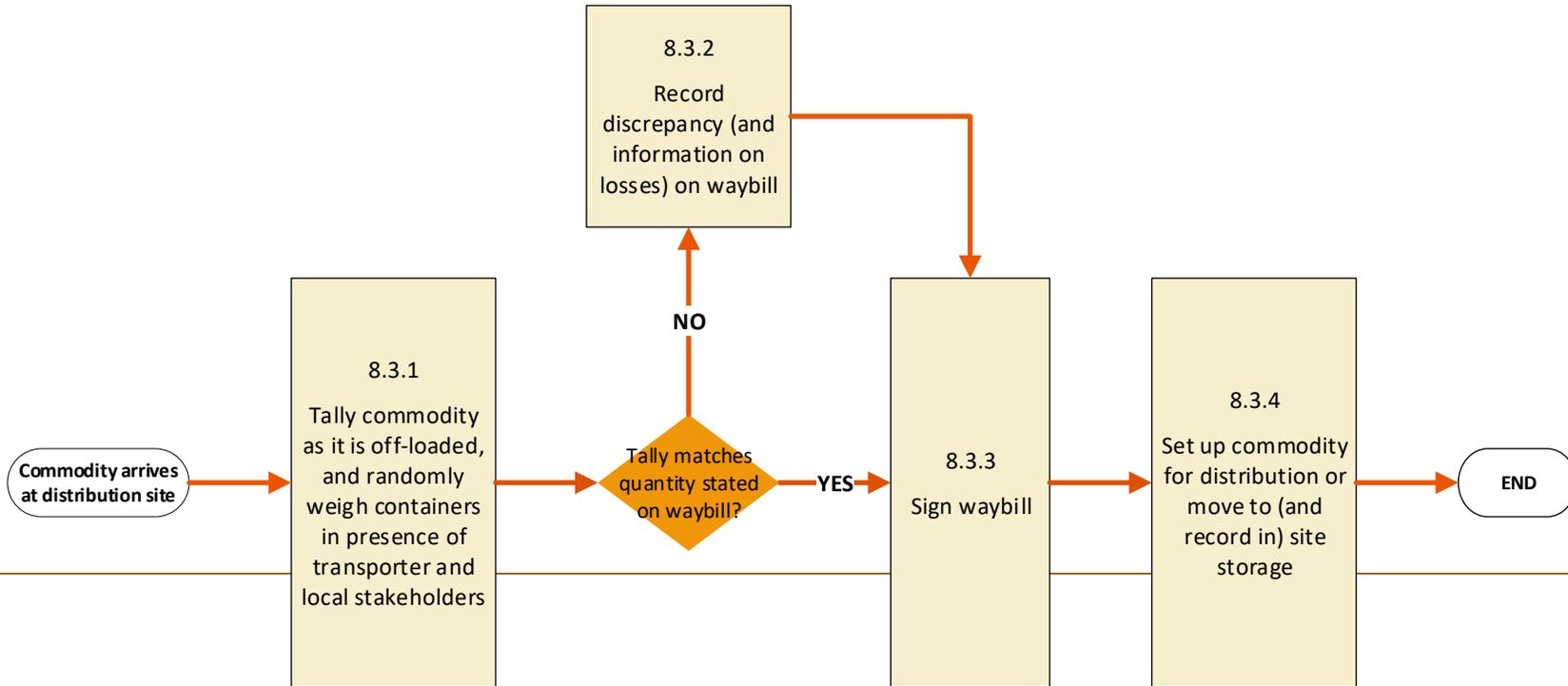


## 8.0 DISTRIBUTION

### 8.3 Receive commodities at distribution site

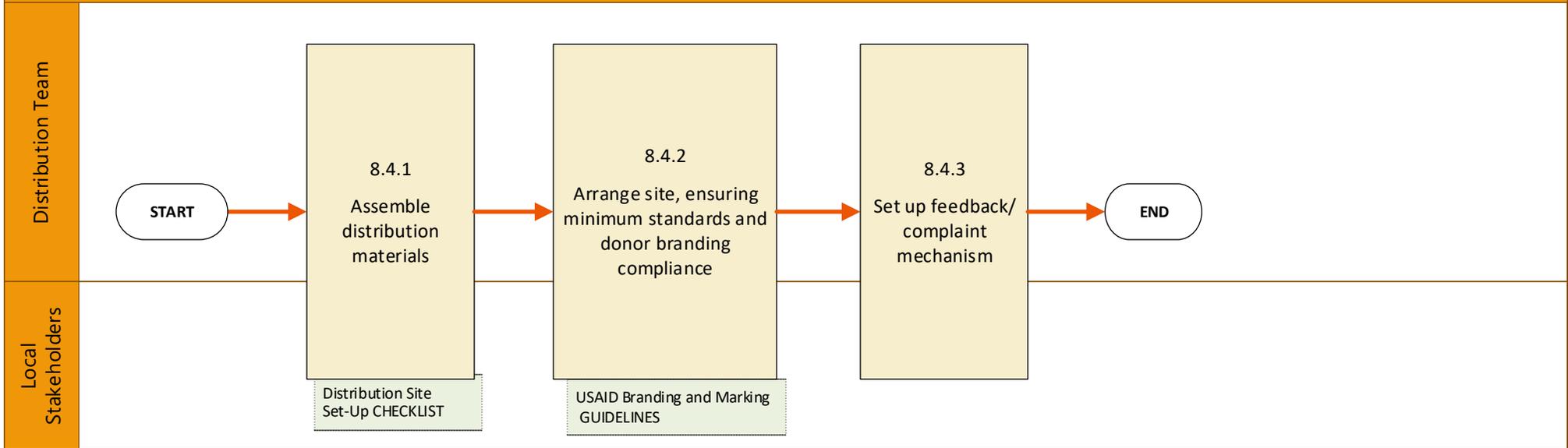
Distribution Team

Local Stakeholders



## 8.0 DISTRIBUTION

### 8.4 Set up distribution site



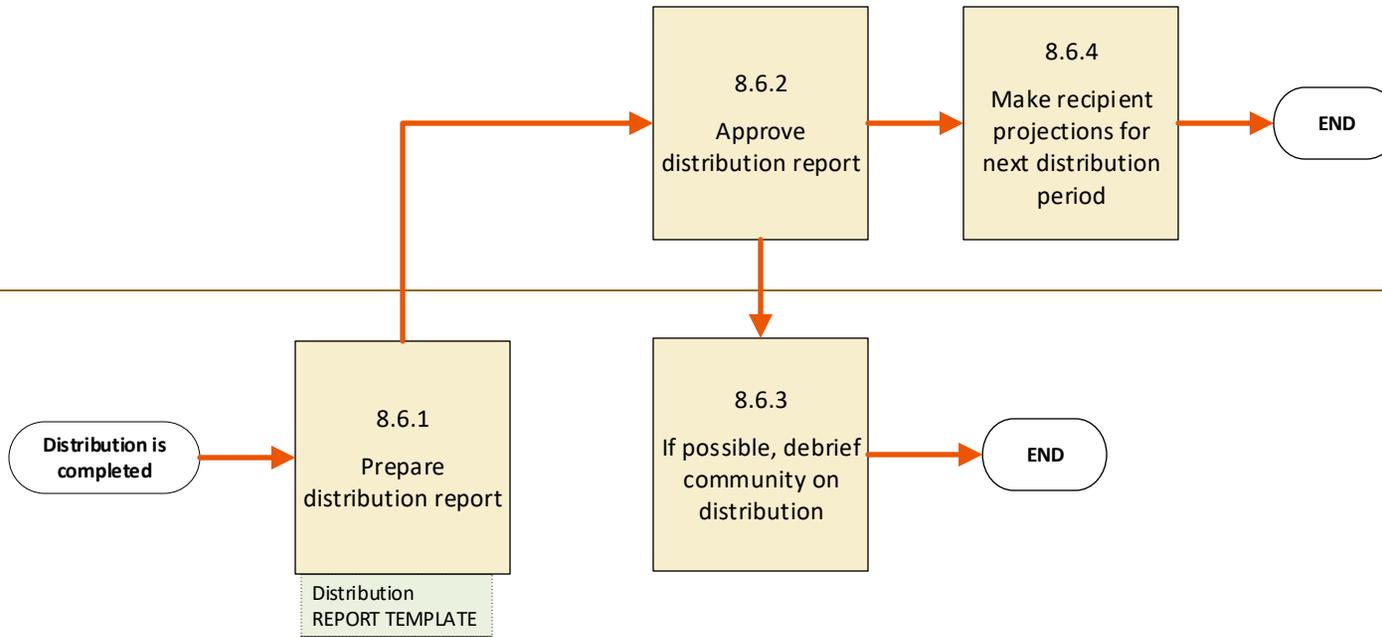


## 8.0 DISTRIBUTION

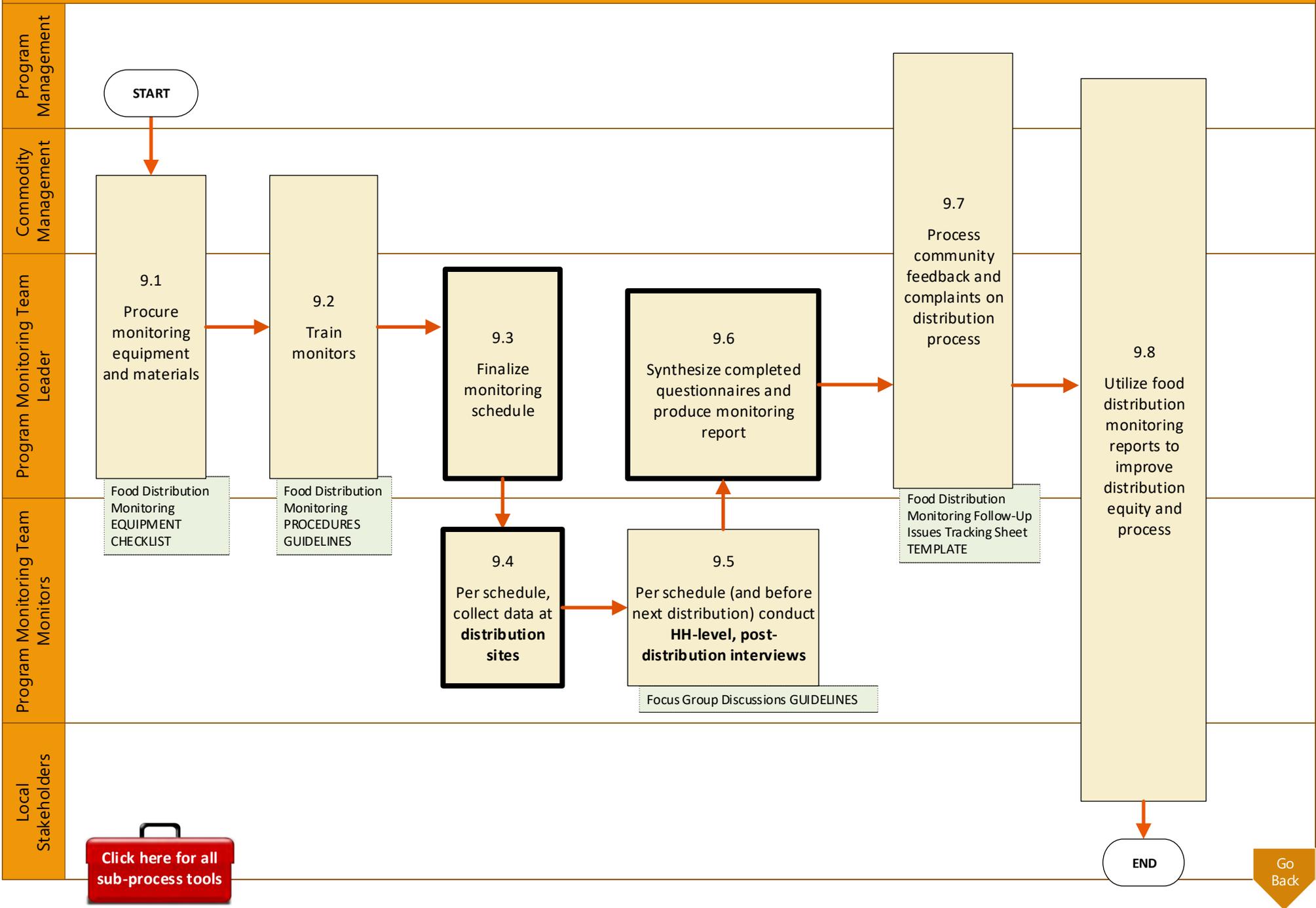
### 8.6 Report on distribution

Program Management

Distribution Team

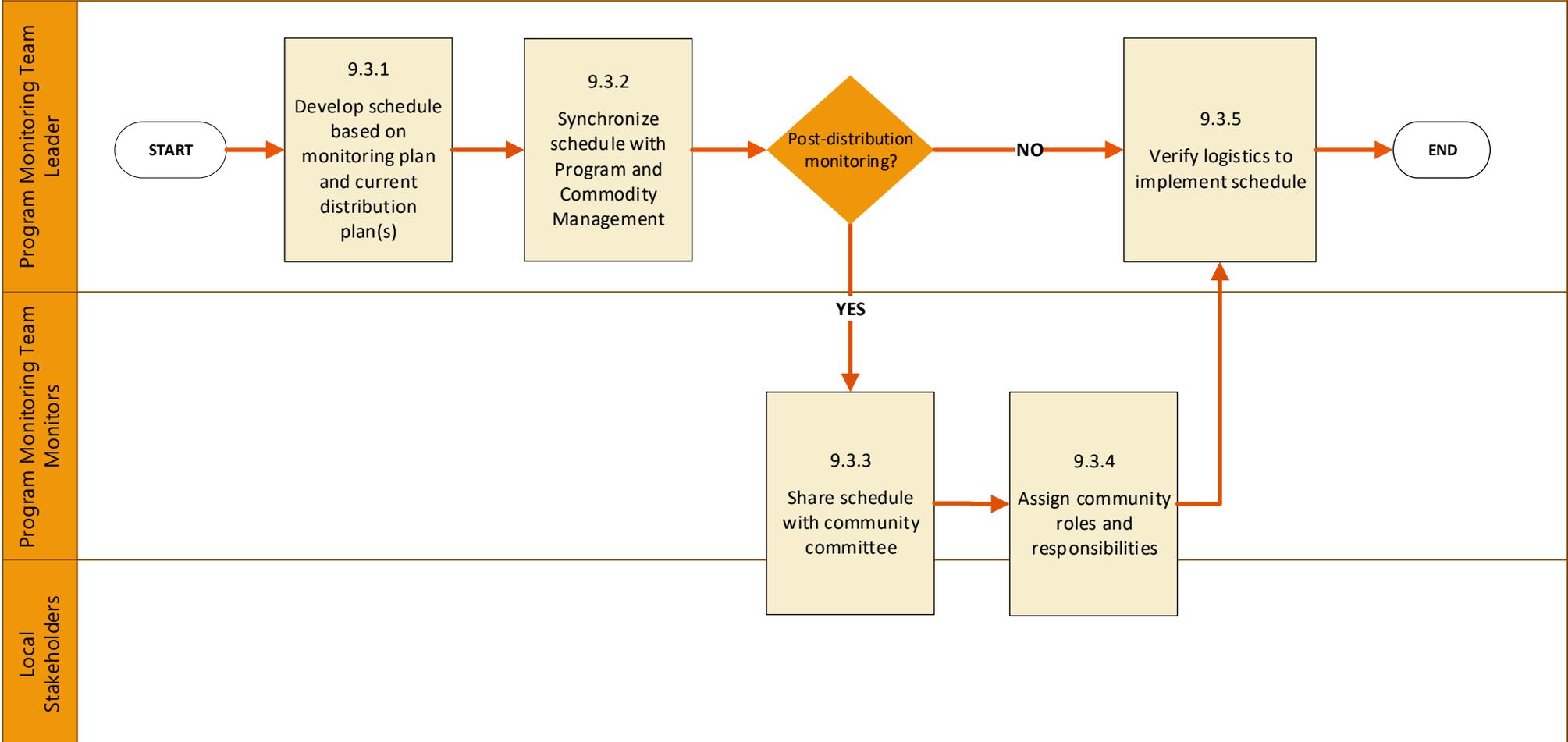


# 9.0 FOOD DISTRIBUTION MONITORING



## 9.0 FOOD DISTRIBUTION MONITORING

### 9.3 Finalize monitoring schedule

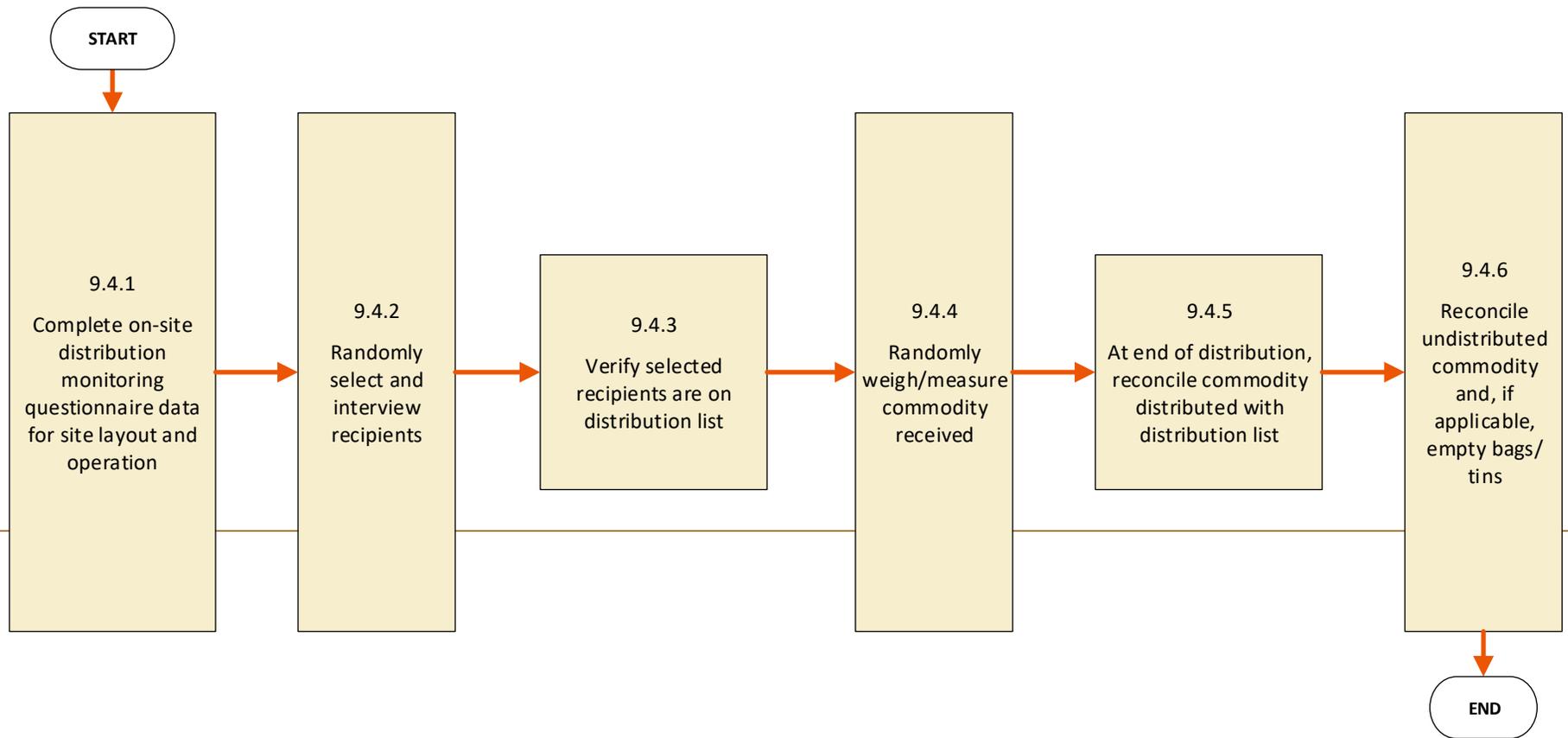


## 9.0 FOOD DISTRIBUTION MONITORING

### 9.4 Per schedule, collect data at distribution sites

Program Monitoring Team

Local Stakeholders

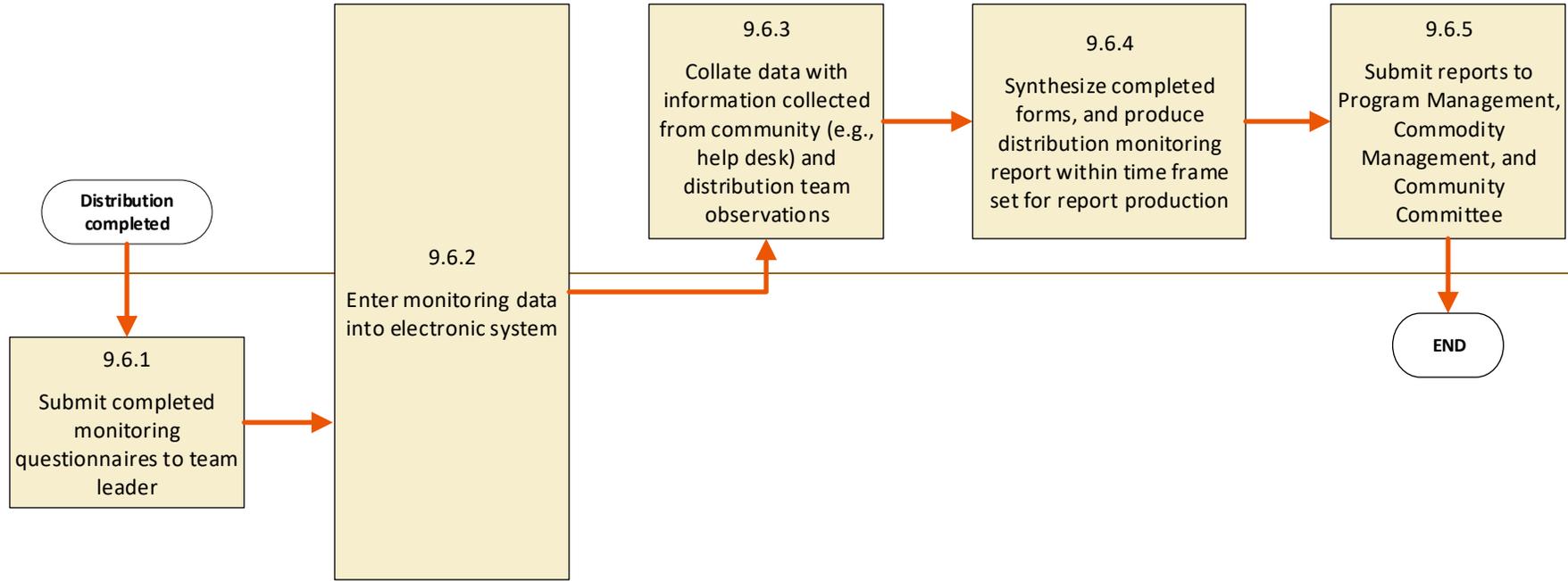


## 9.0 FOOD DISTRIBUTION MONITORING

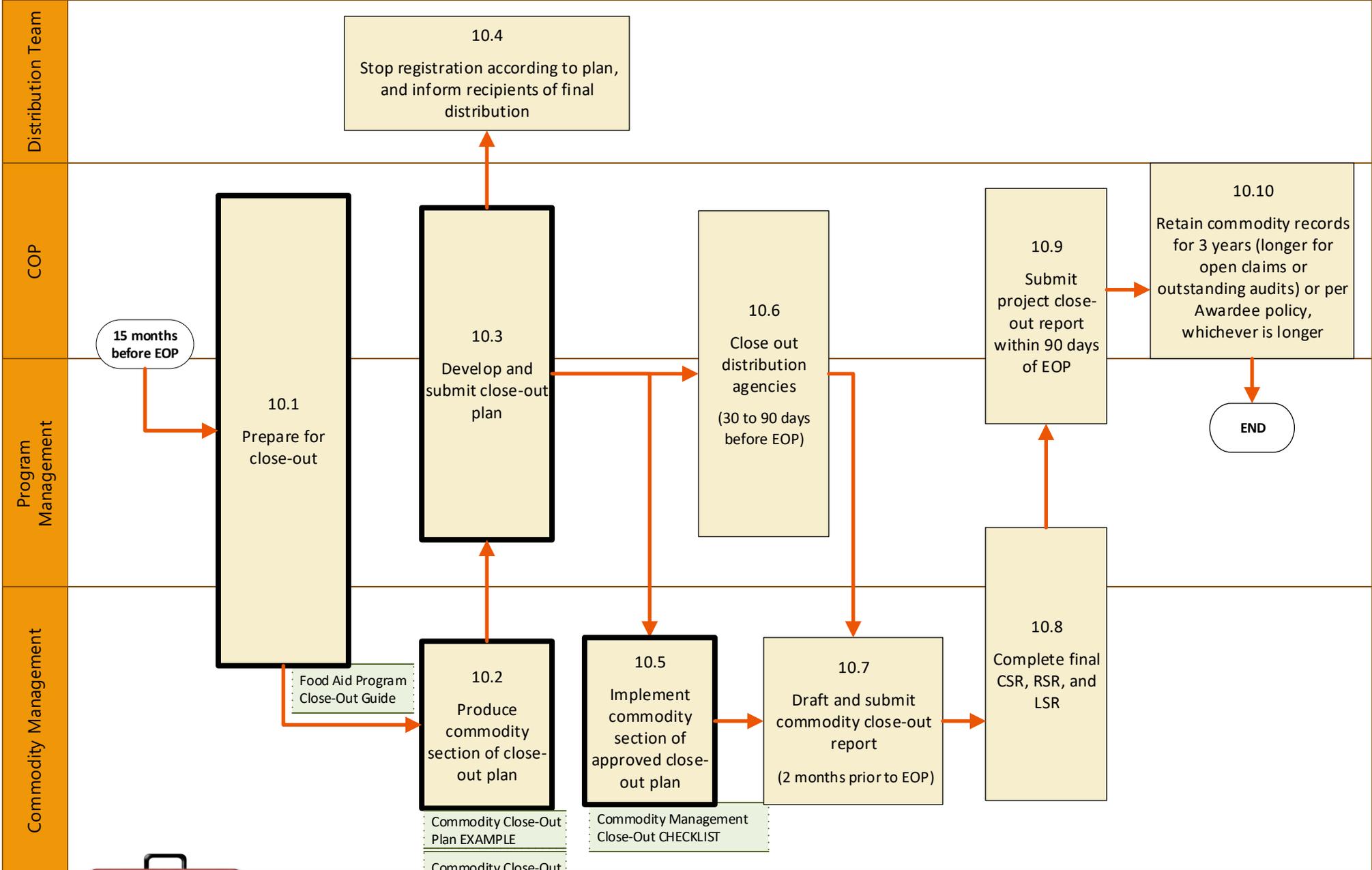
### 9.6 Synthesize completed questionnaires and produce monitoring report

Program Monitoring Team  
Leader

Program Monitoring Team  
Monitors



# 10.0 CLOSE-OUT



Click here for all sub-process tools

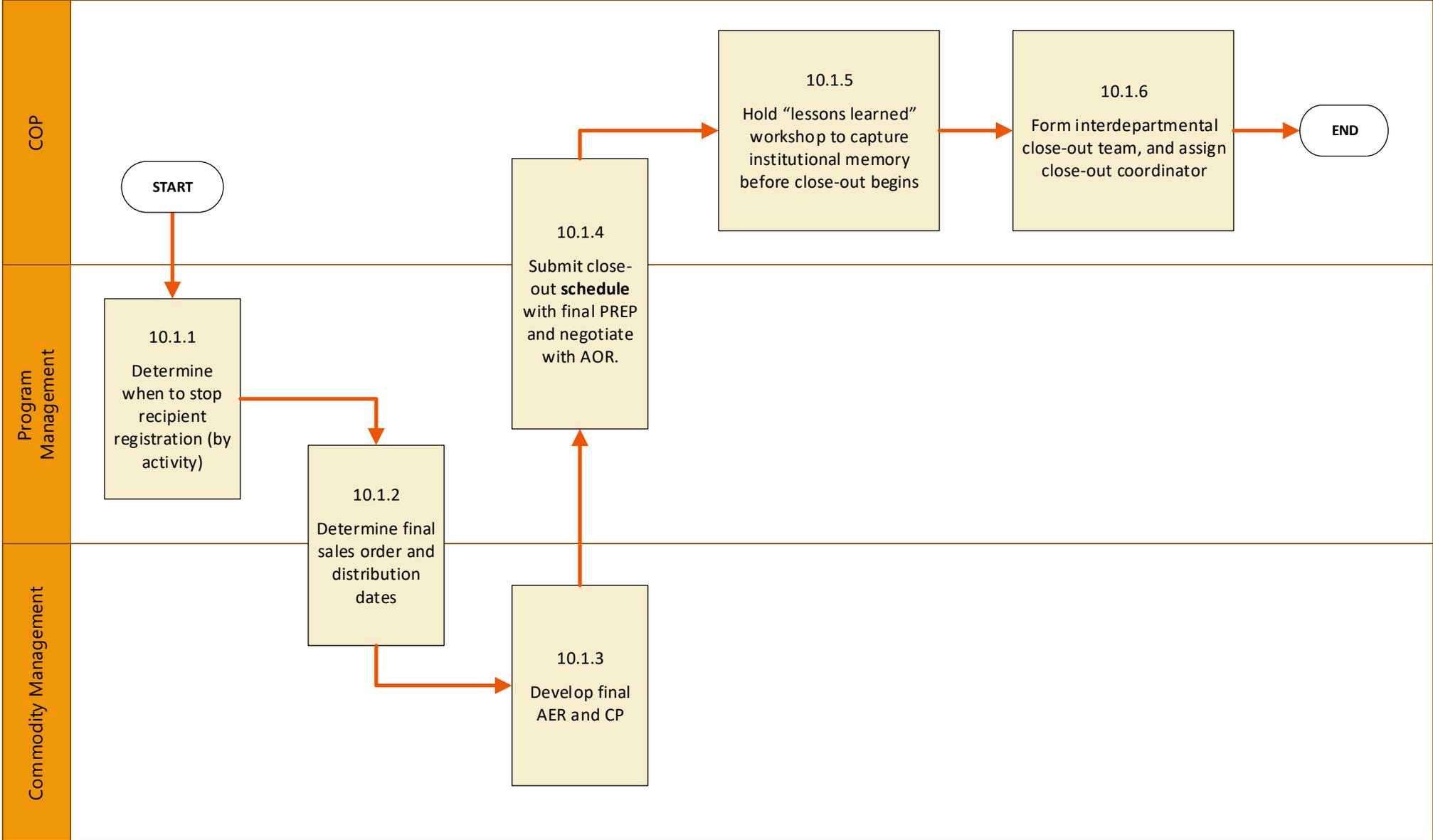
Commodity Close-Out Plan EXAMPLE  
Commodity Close-Out Plan TEMPLATE

Commodity Management Close-Out CHECKLIST

Go Back

# 10.0 CLOSE-OUT

## 10.1 Prepare for close-out

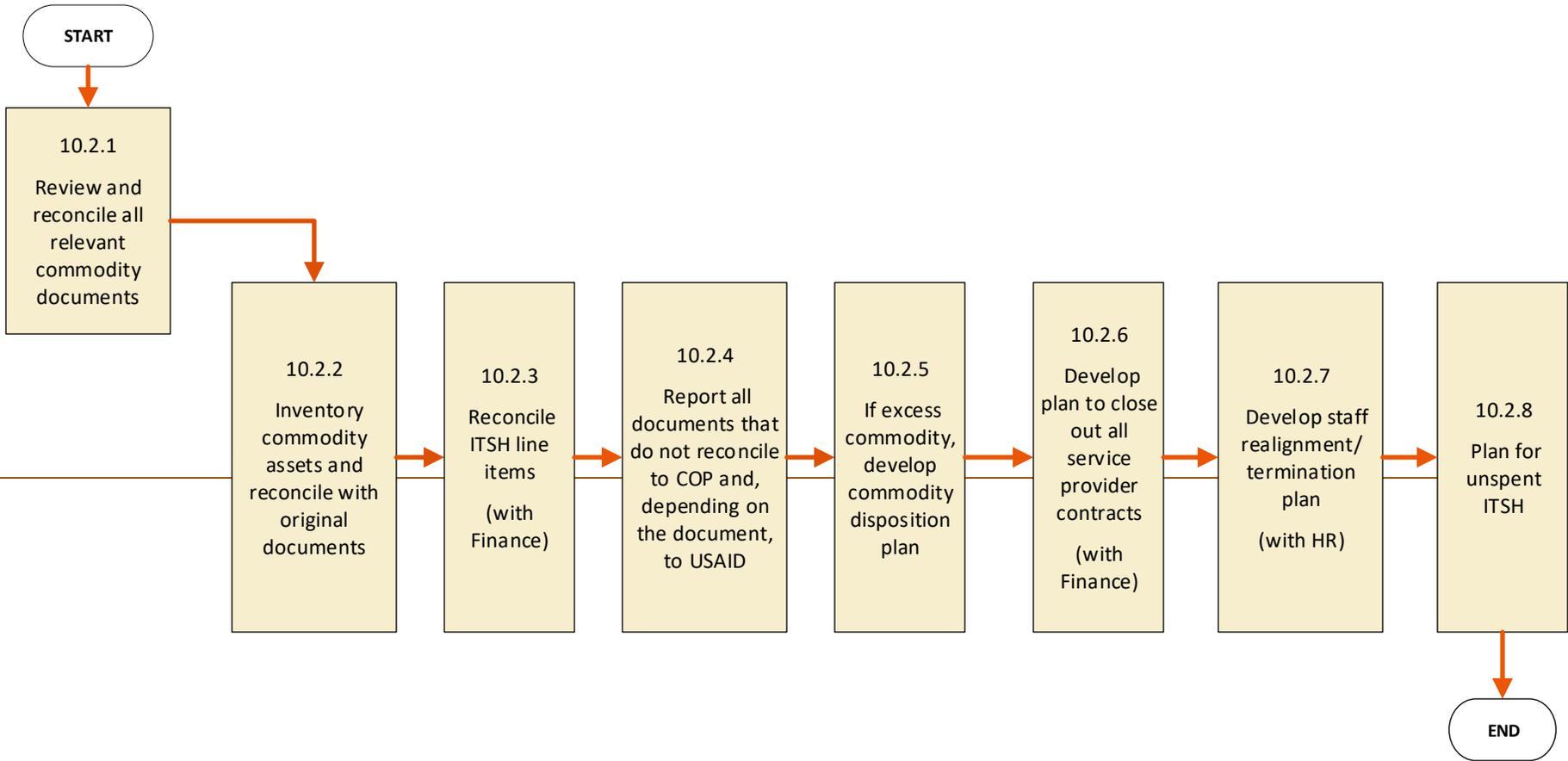


# 10.0 CLOSE-OUT

## 10.2 Produce commodity section of close-out plan

Commodity Management

Program Management



# 10.0 CLOSE-OUT

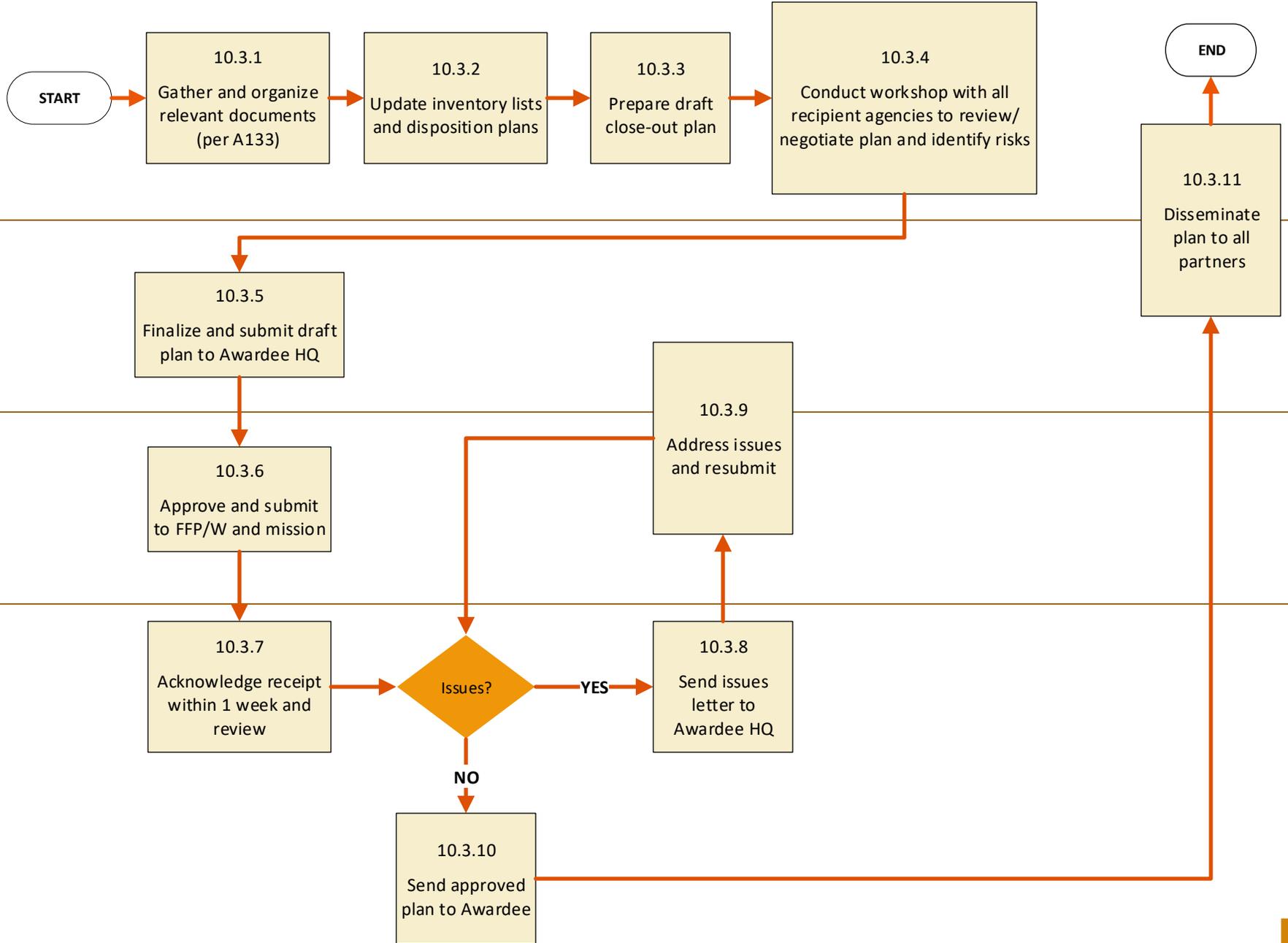
## 10.3 Develop and submit close-out plan

Program Management

COP

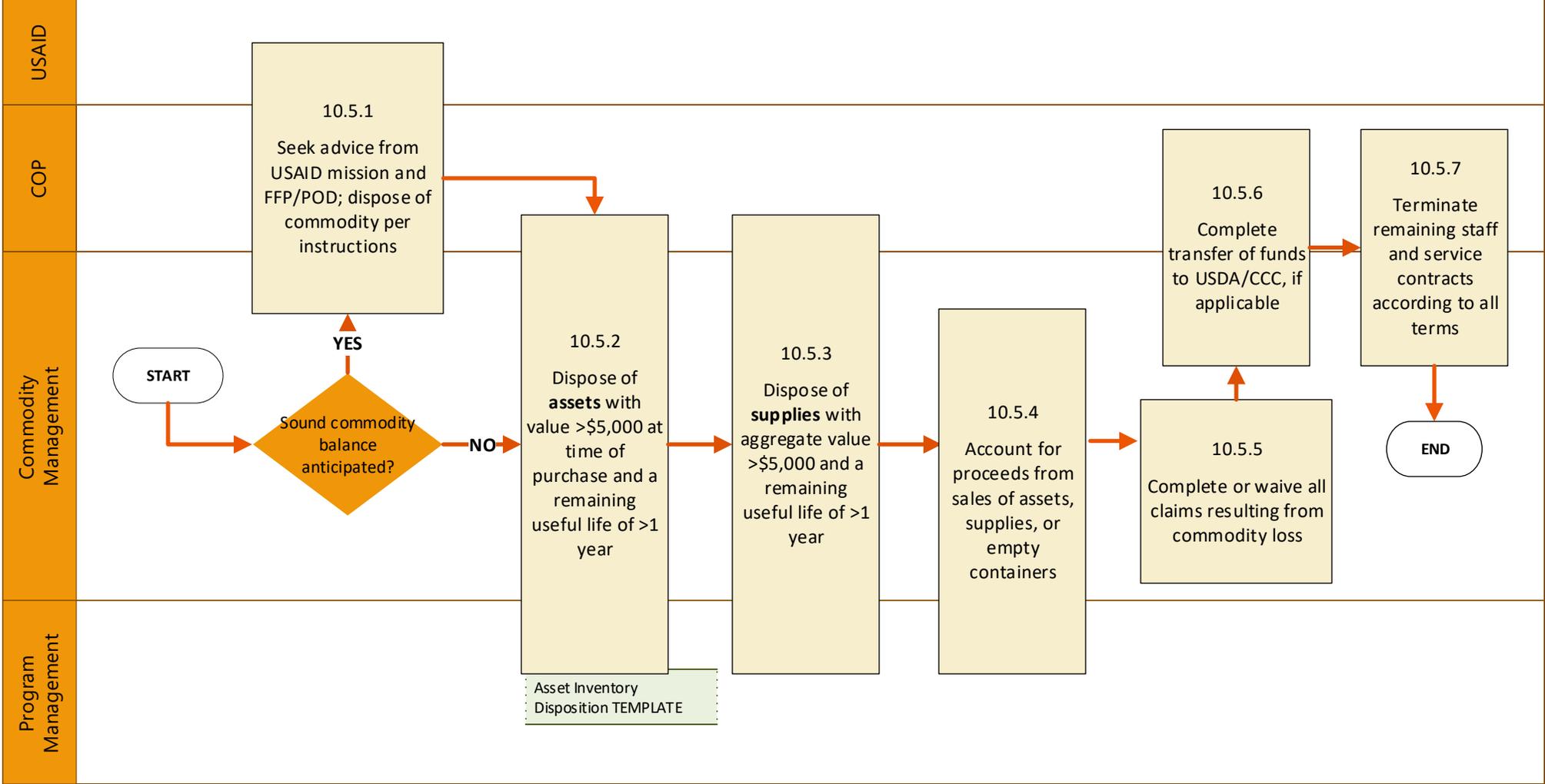
Awardee HQ

USAID/FFP

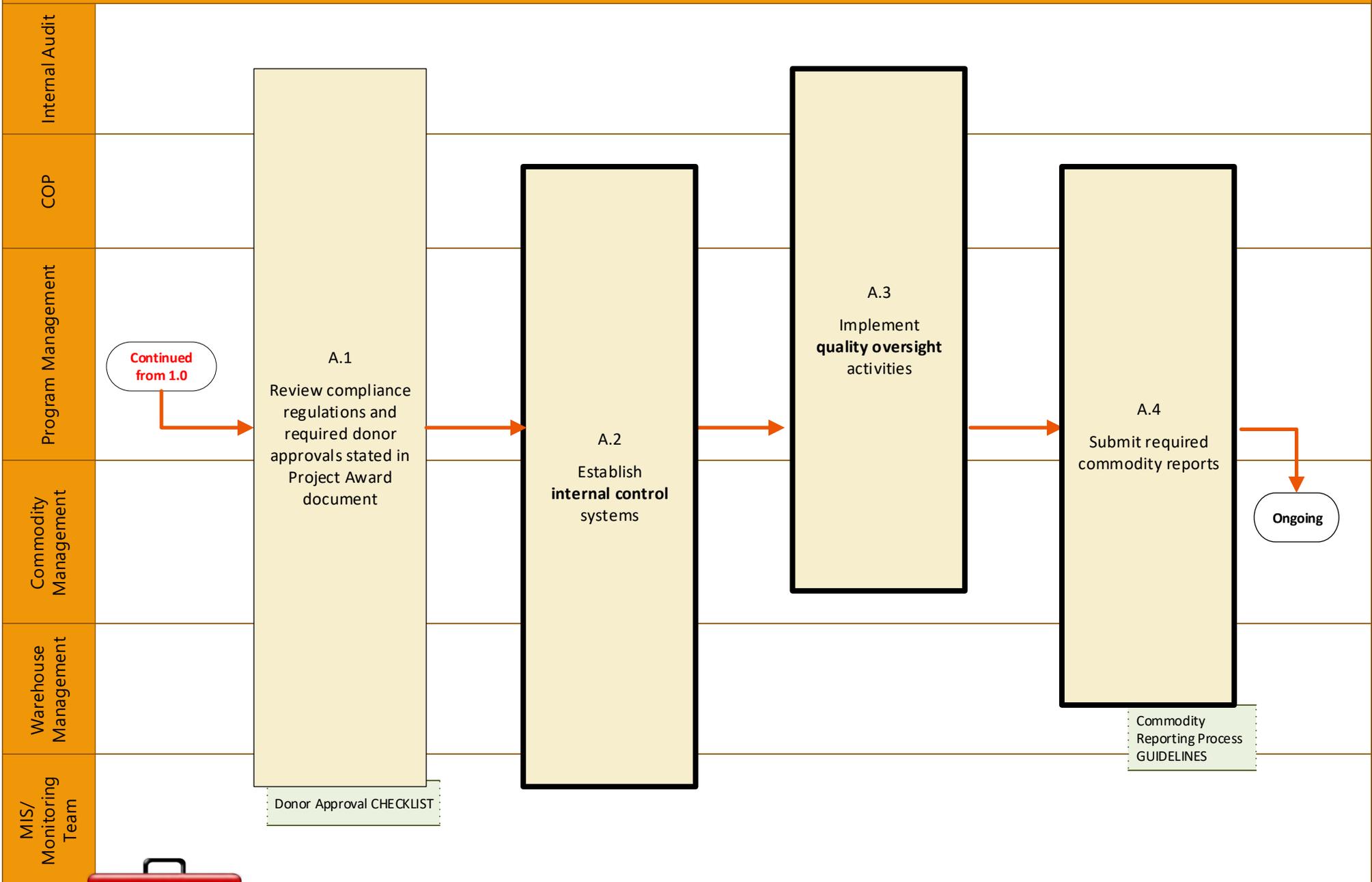


# 10.0 CLOSE-OUT

## 10.5 Implement commodity section of approved close-out plan



# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

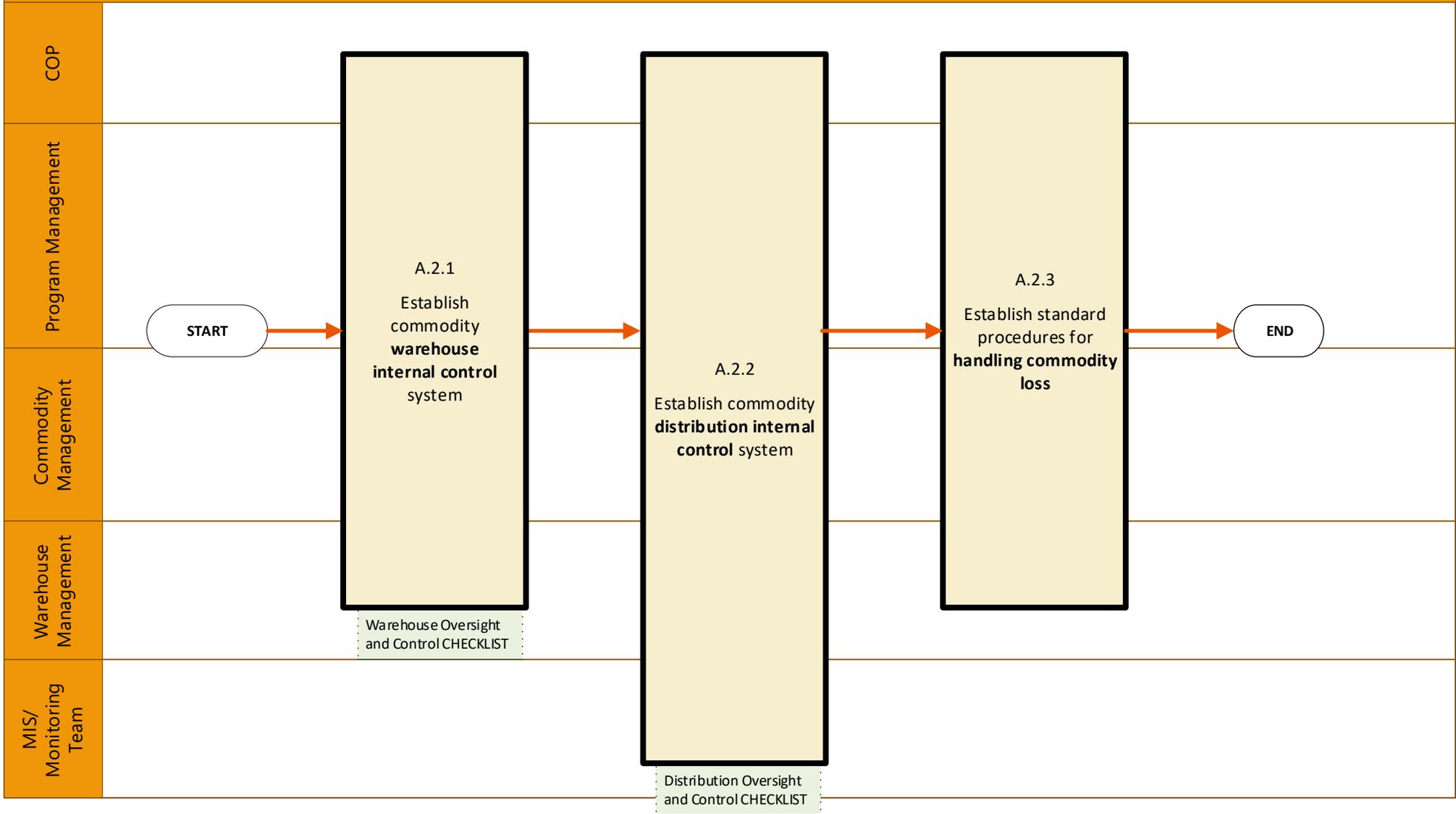


Click here for all sub-process tools

Go Back

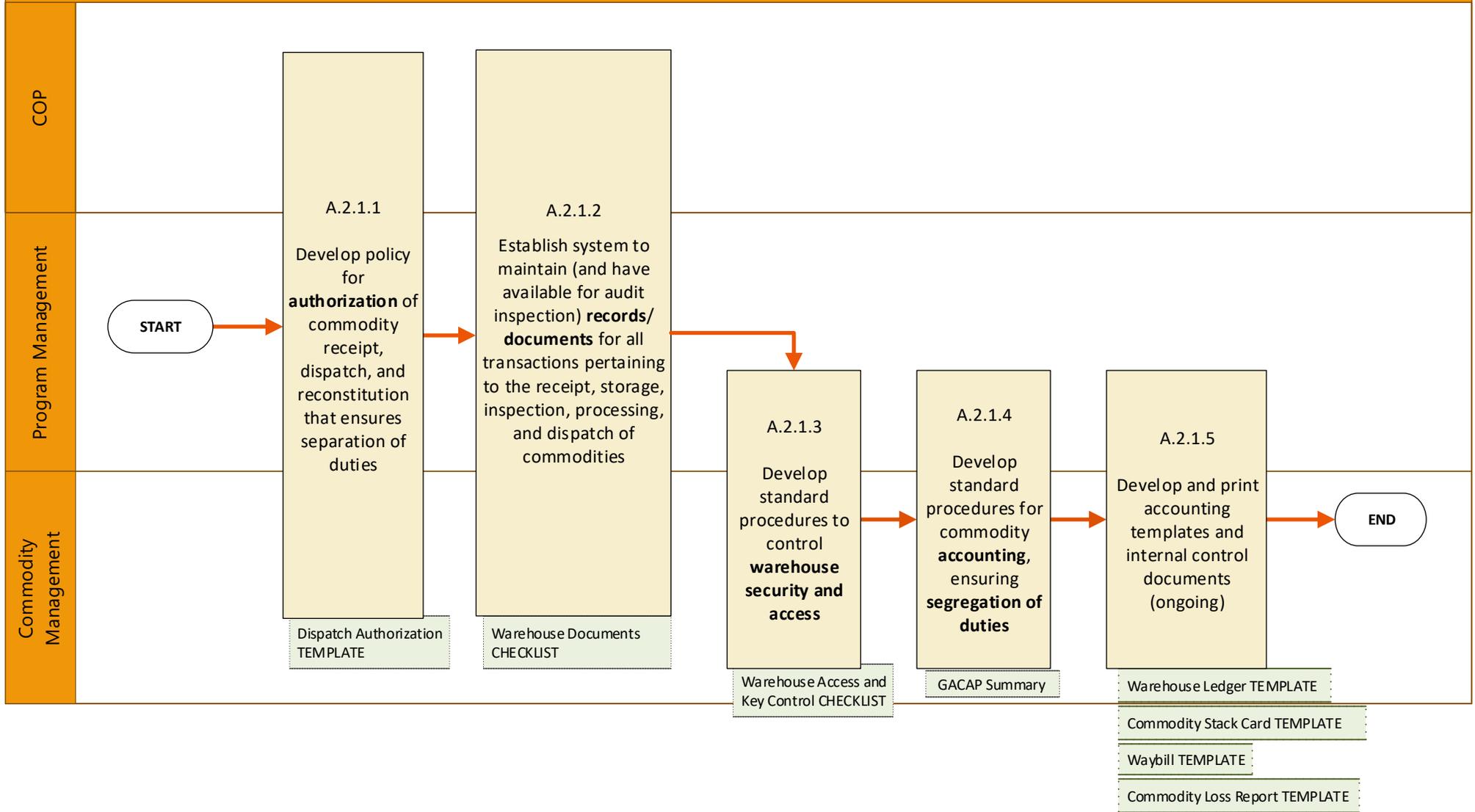
# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

## A.2 Establish internal control systems



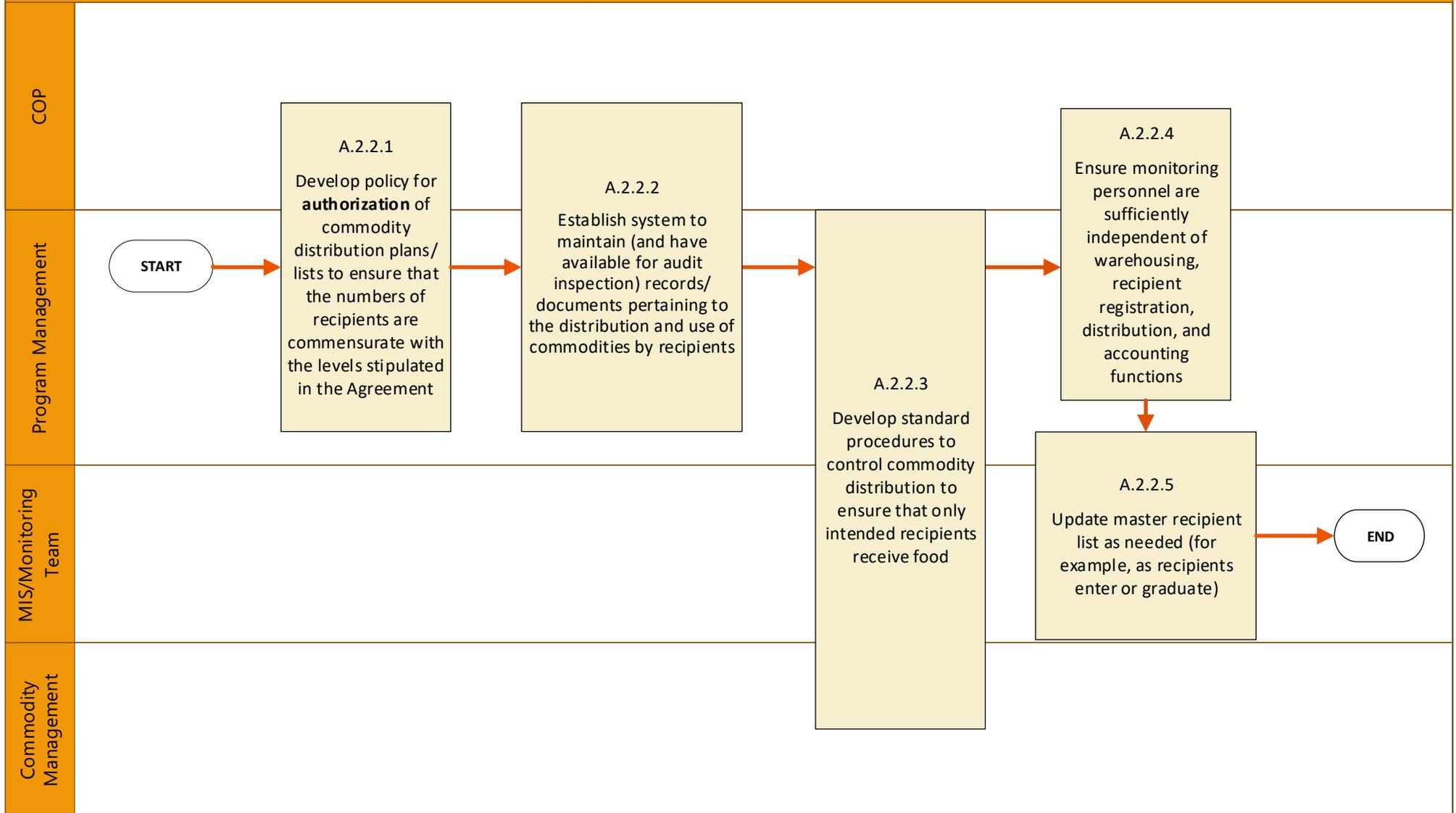
# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

## A.2.1 Establish commodity warehouse internal control system



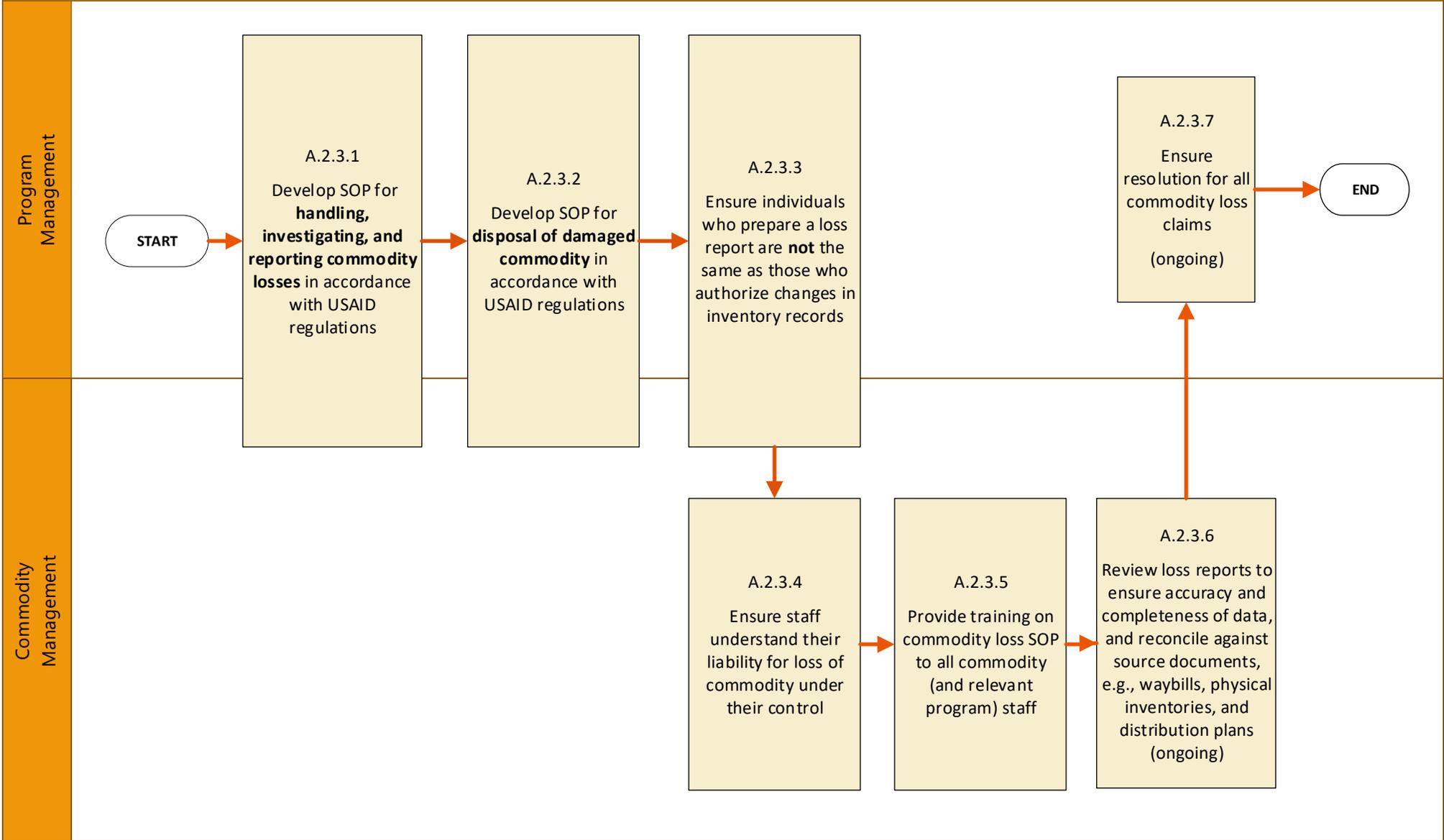
# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

## A.2.2 Establish distribution internal control system



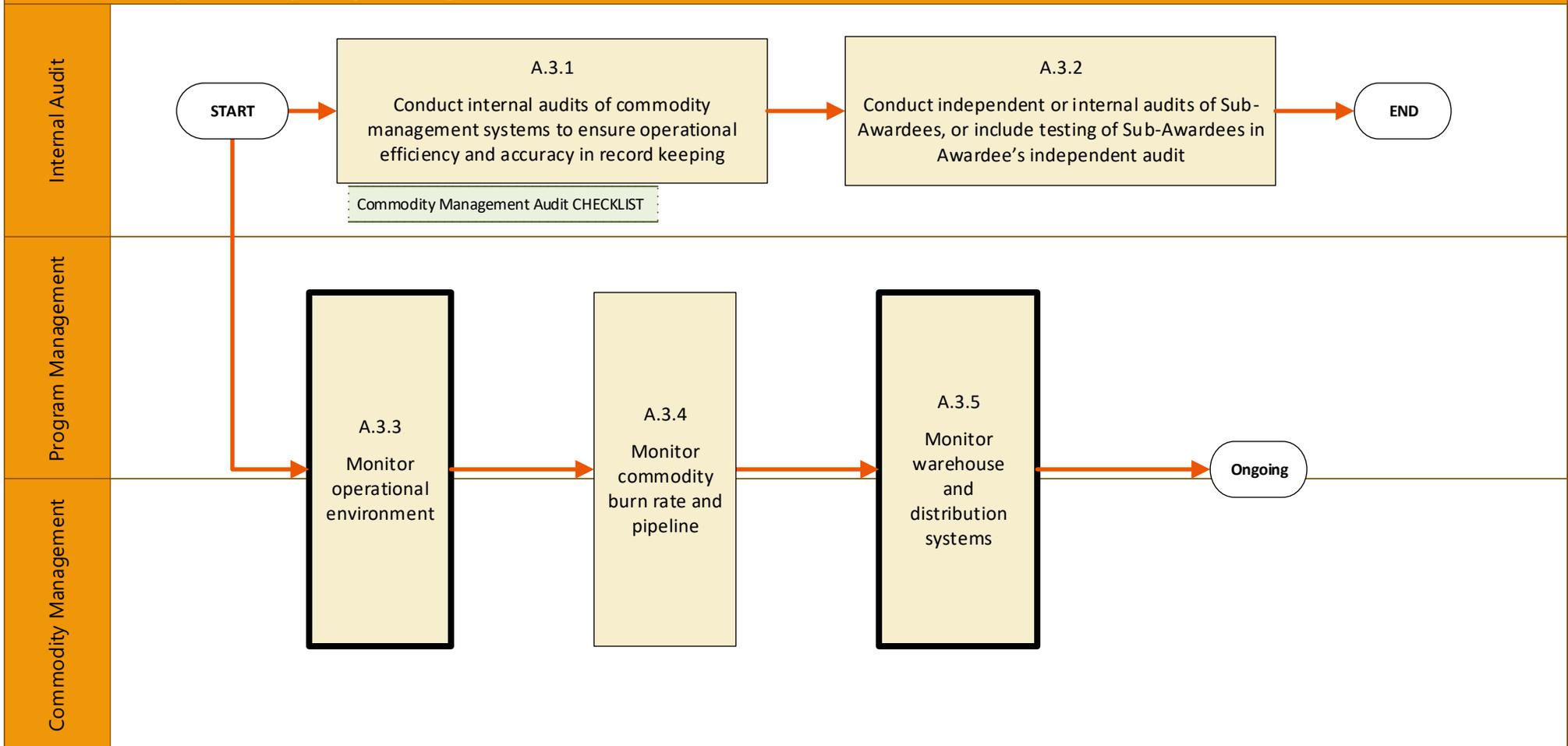
# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

## A.2.3 Establish standard procedures for handling commodity loss



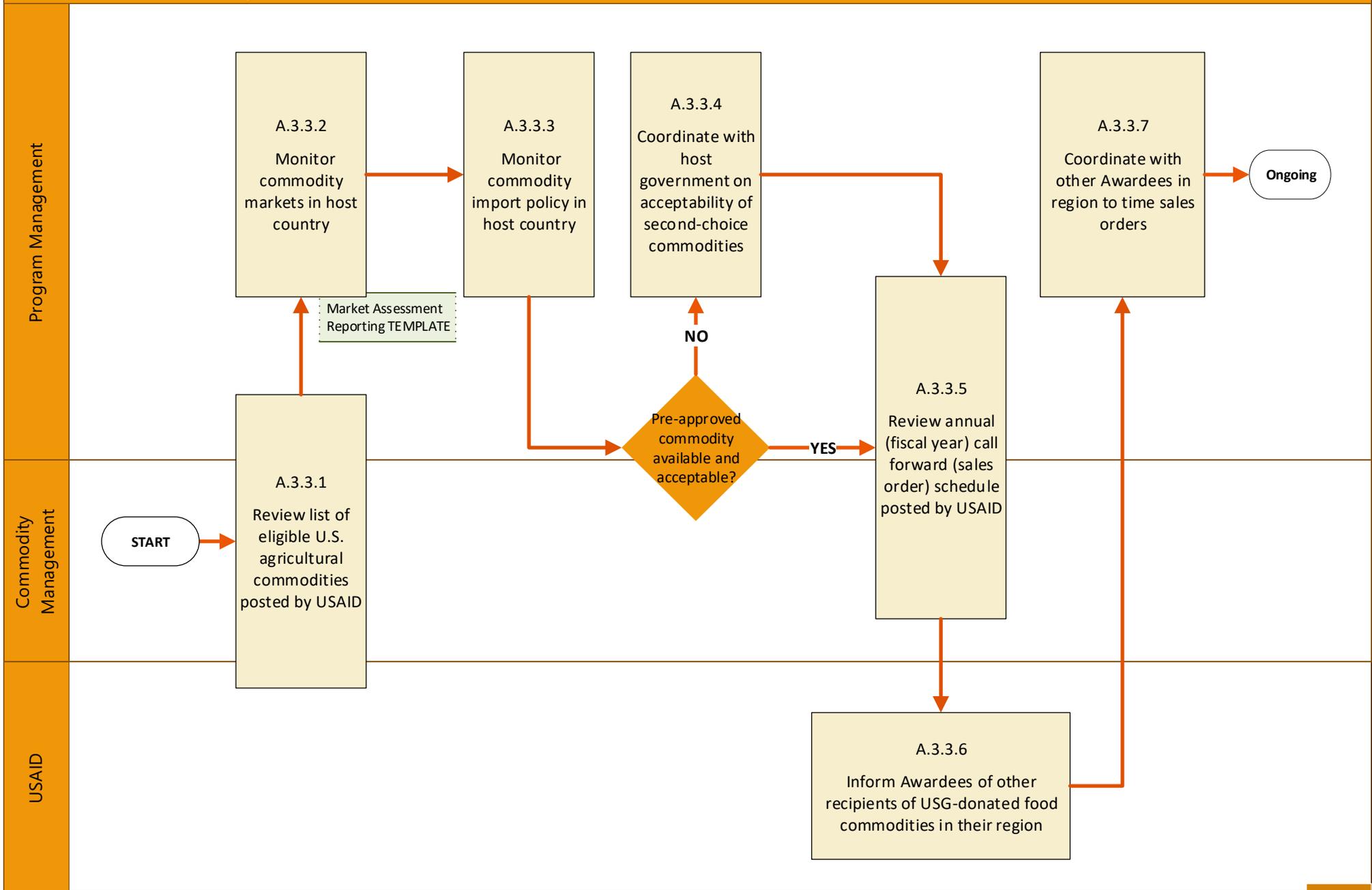
# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

## A.3 Implement quality oversight activities



# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

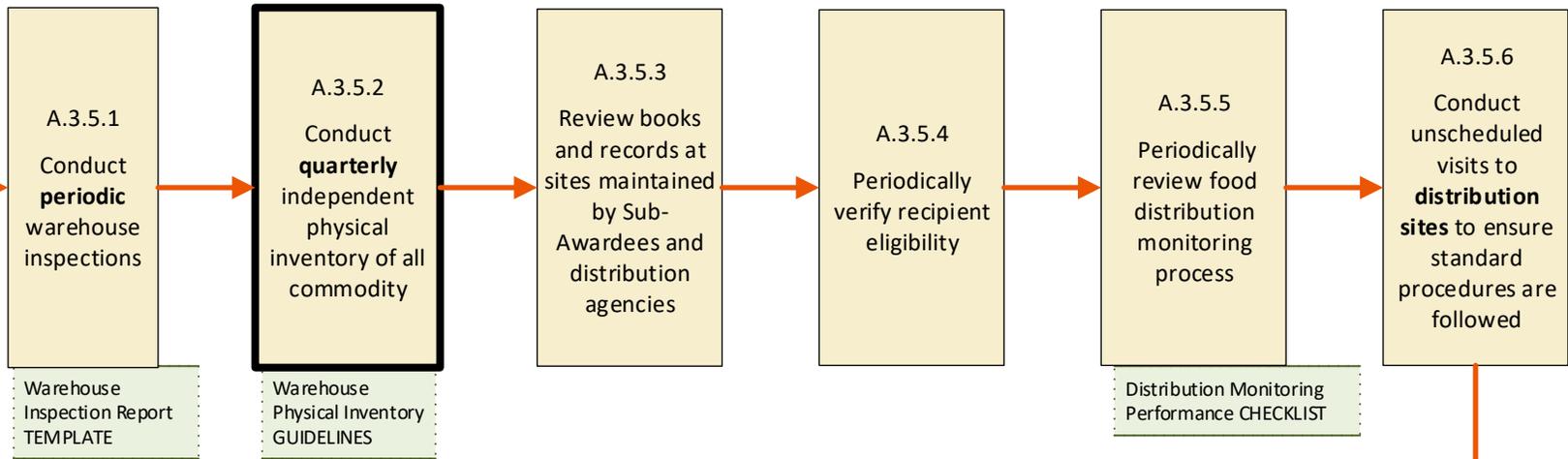
## A.3.3 Monitor operational environment



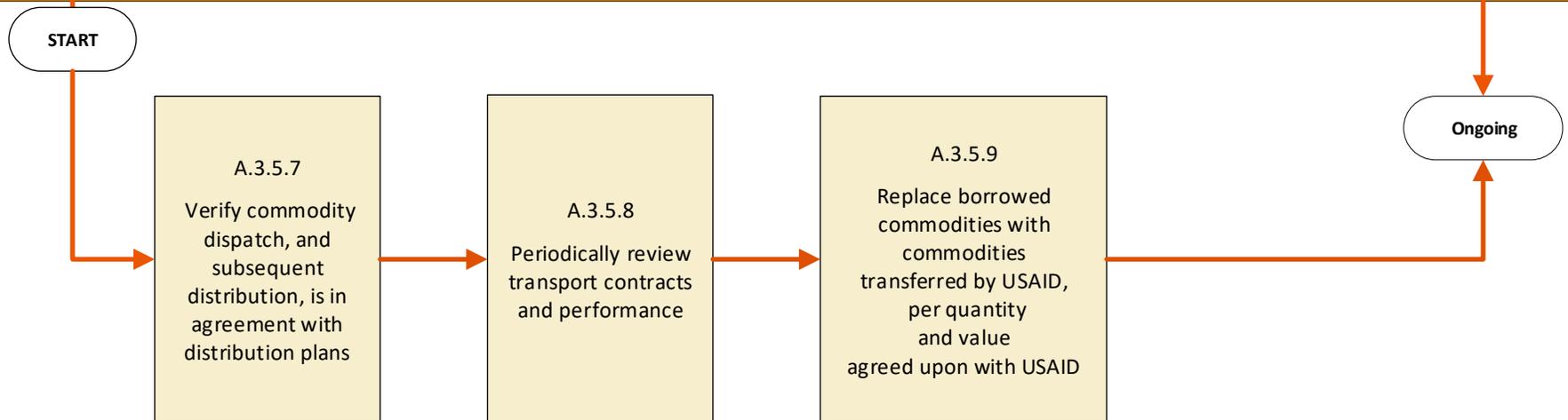
# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

## A.3.5 Monitor warehouse and distribution systems

Program Management

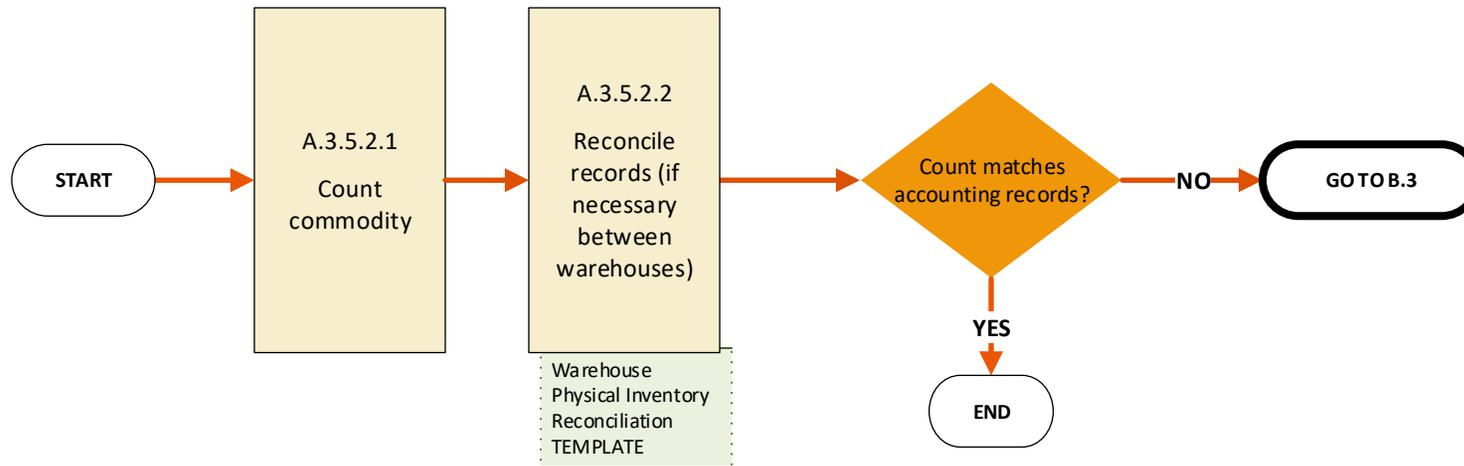


Commodity Management



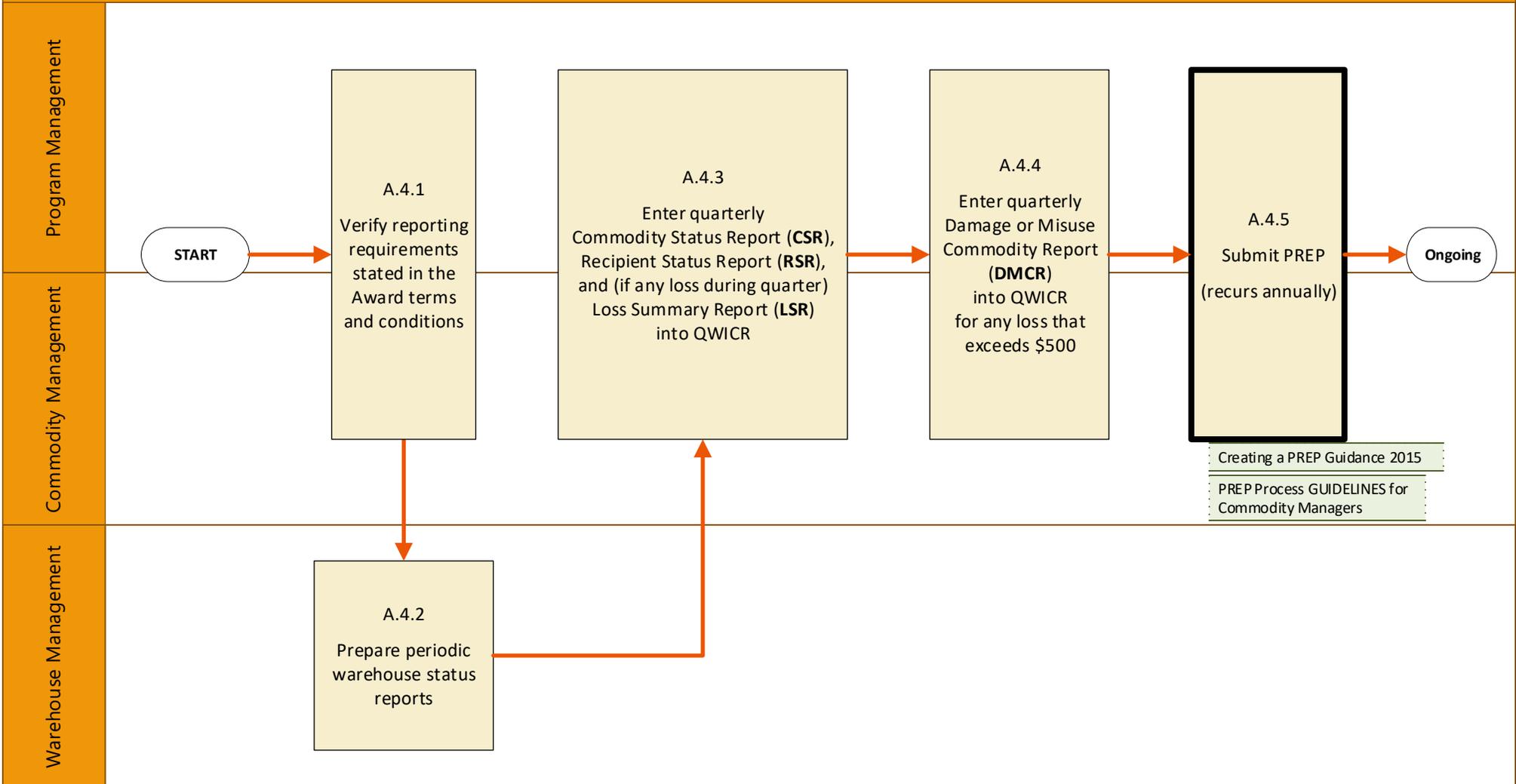
A.3.5.2 Conduct quarterly physical inventory of all commodity

Program Management



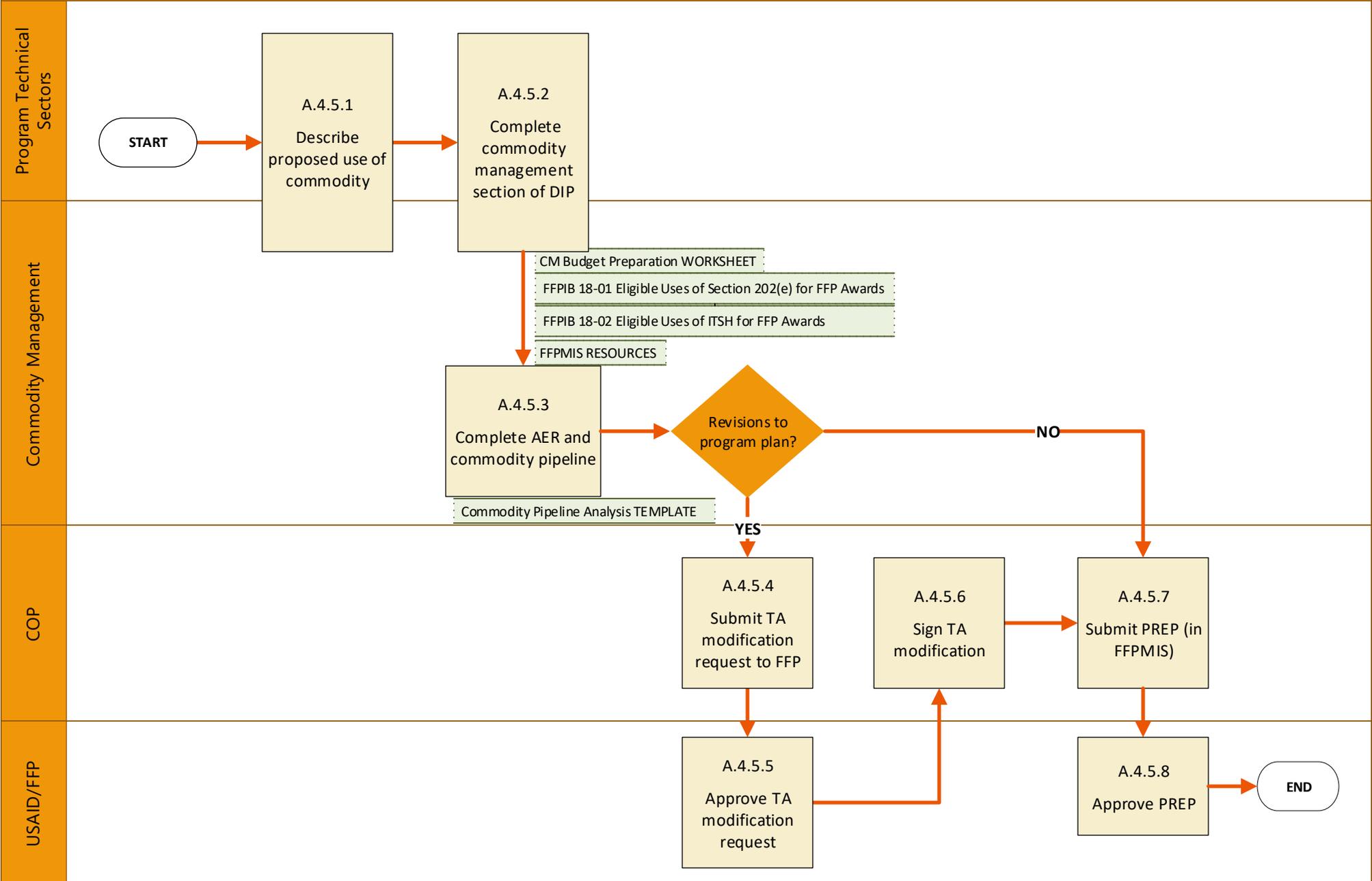
# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

## A.4 Submit required commodity reports



# A.0 INTERNAL CONTROL and QUALITY OVERSIGHT

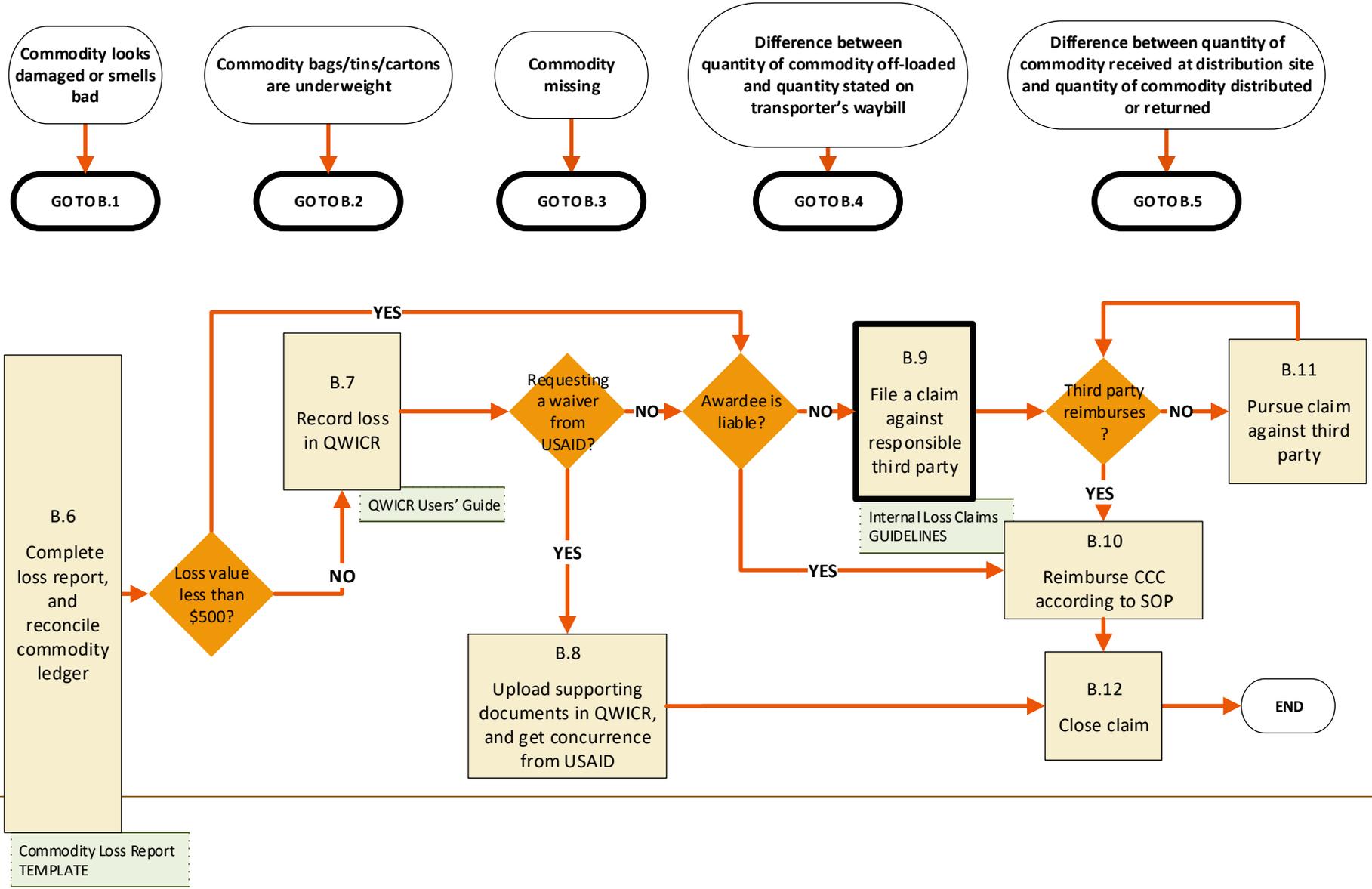
## A.4.5 Prepare and submit PREP (recurs annually)



# B.0 INTERNAL LOSS

Commodity Management

Warehouse Management or Distribution Team



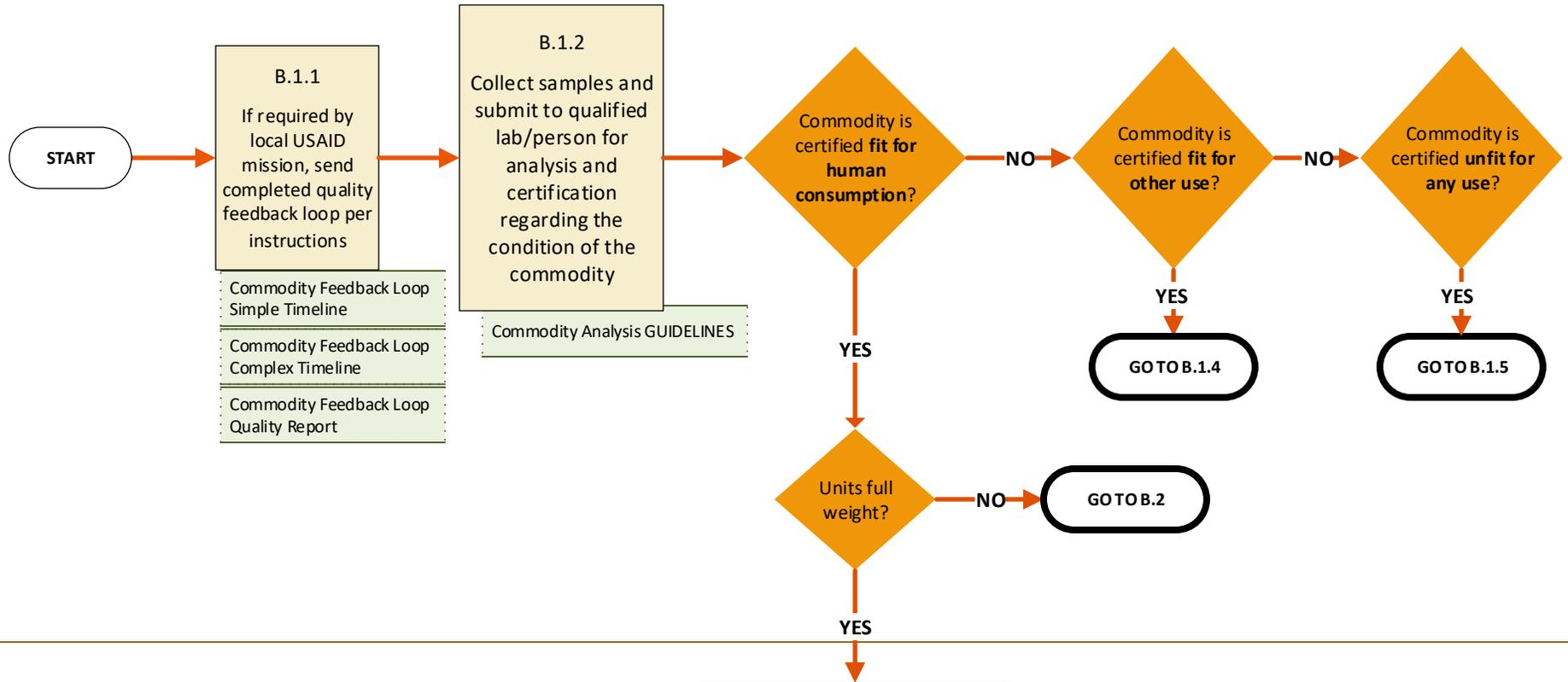
[Click here for all sub-process tools](#)

[Go Back](#)

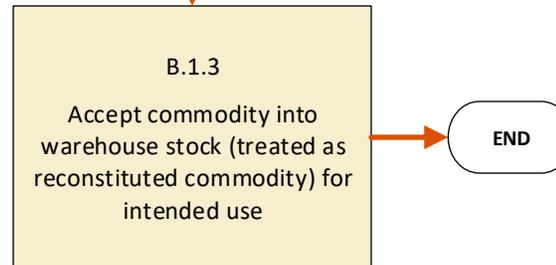
## B.0 INTERNAL LOSS

### B.1 Commodity looks damaged or smells bad

Commodity Management

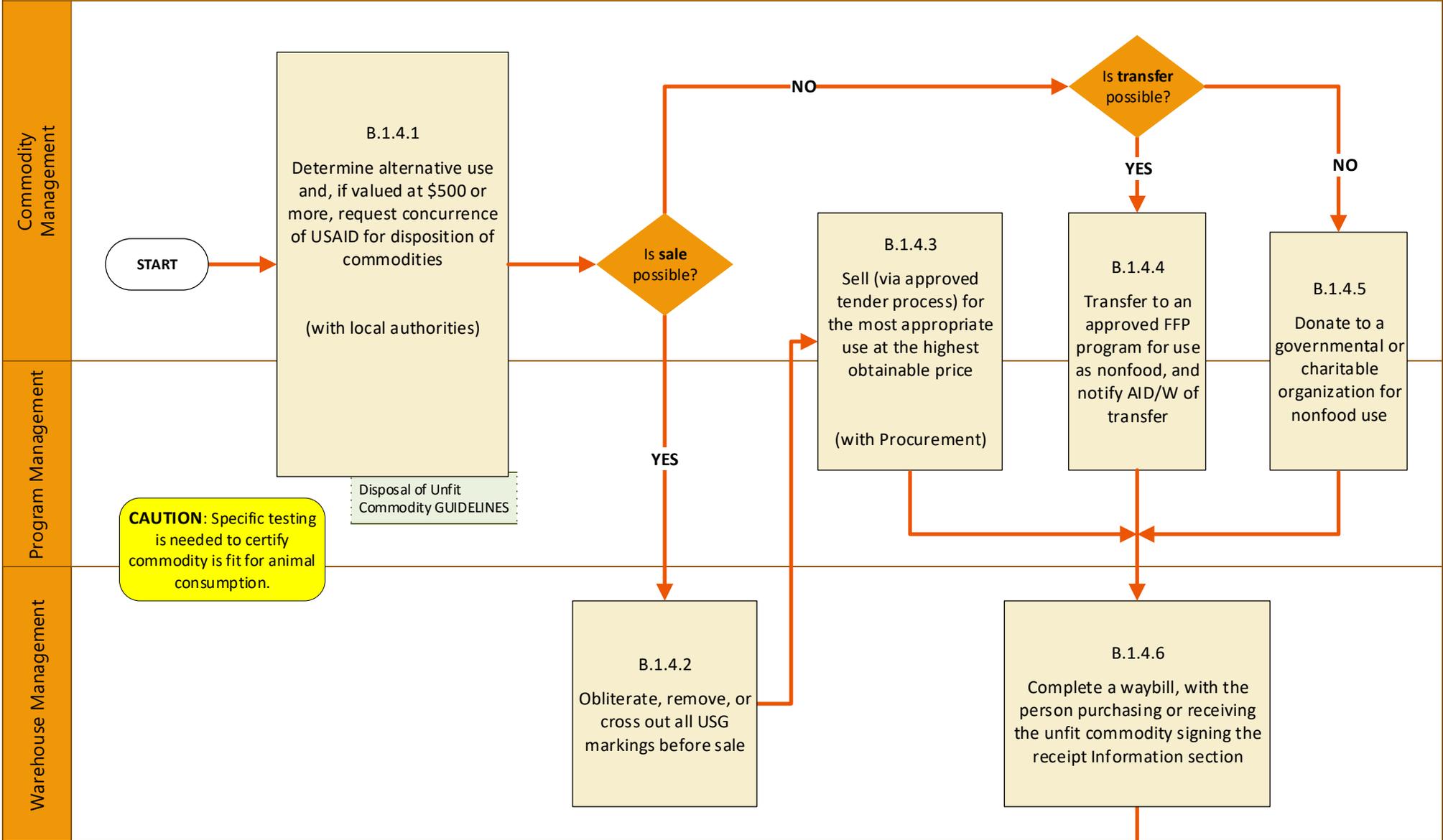


Warehouse Management



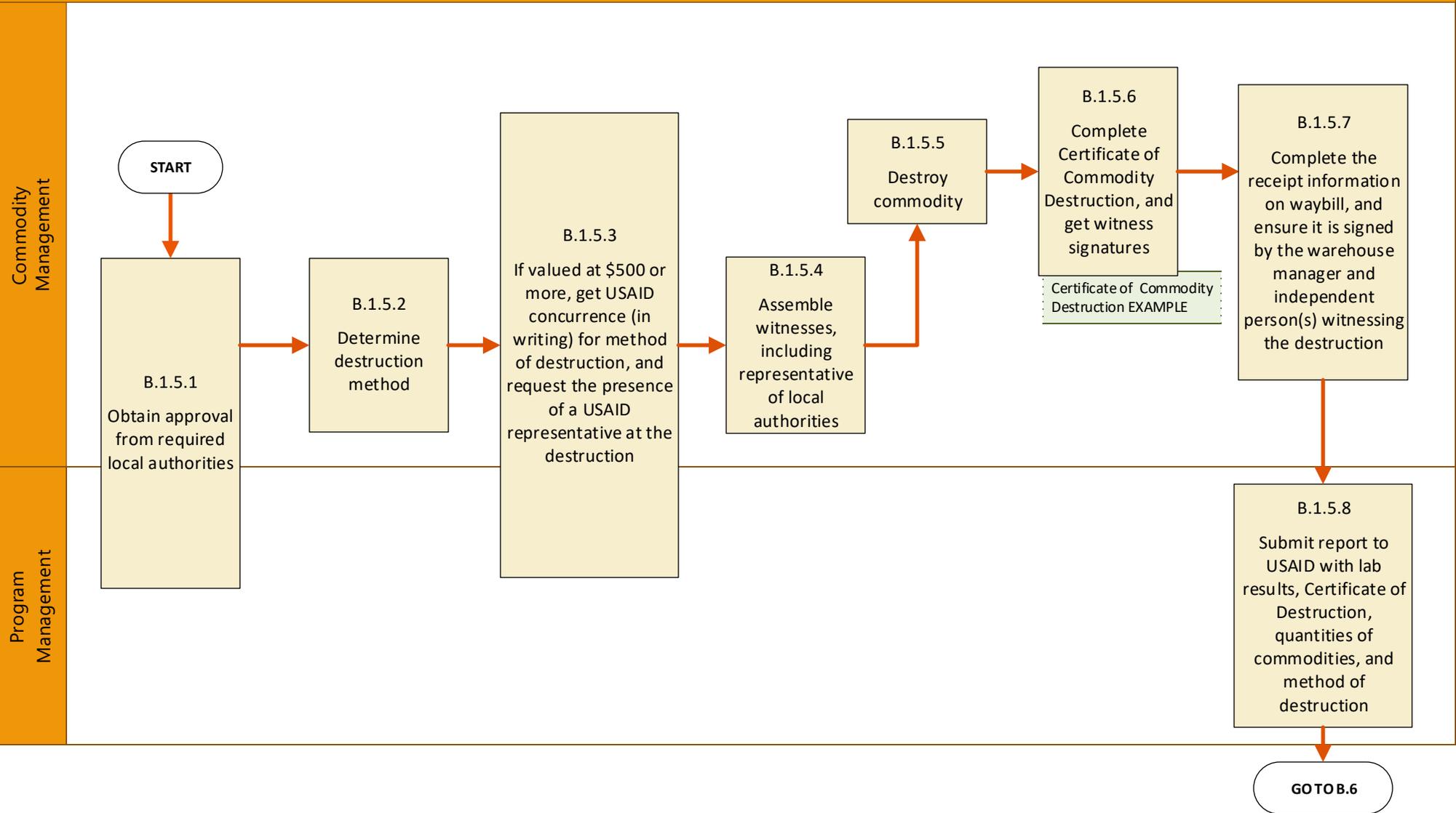
# B.0 INTERNAL LOSS

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



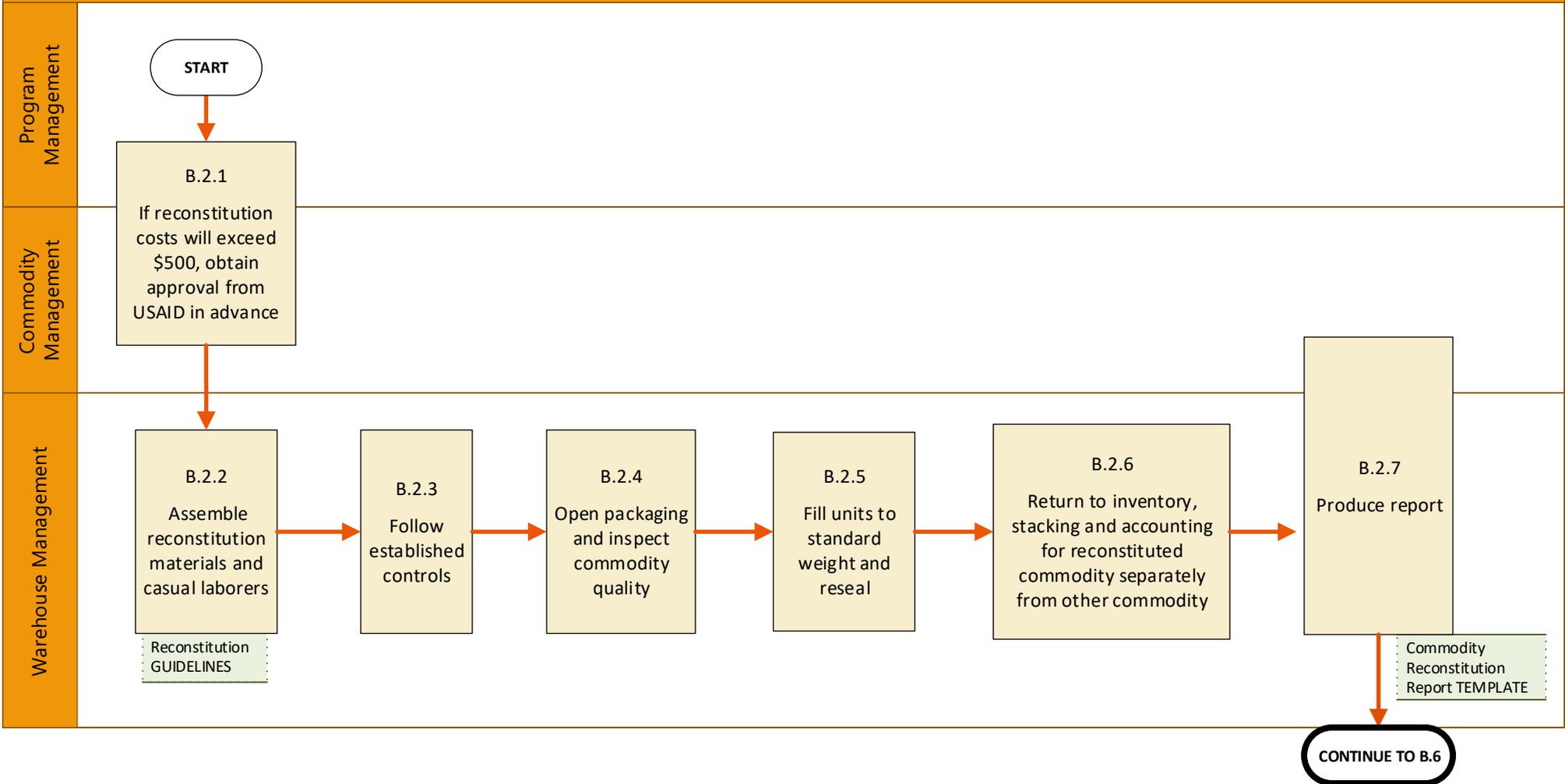
## B.0 INTERNAL LOSS

### B.1.5 Commodity is certified unfit for any use



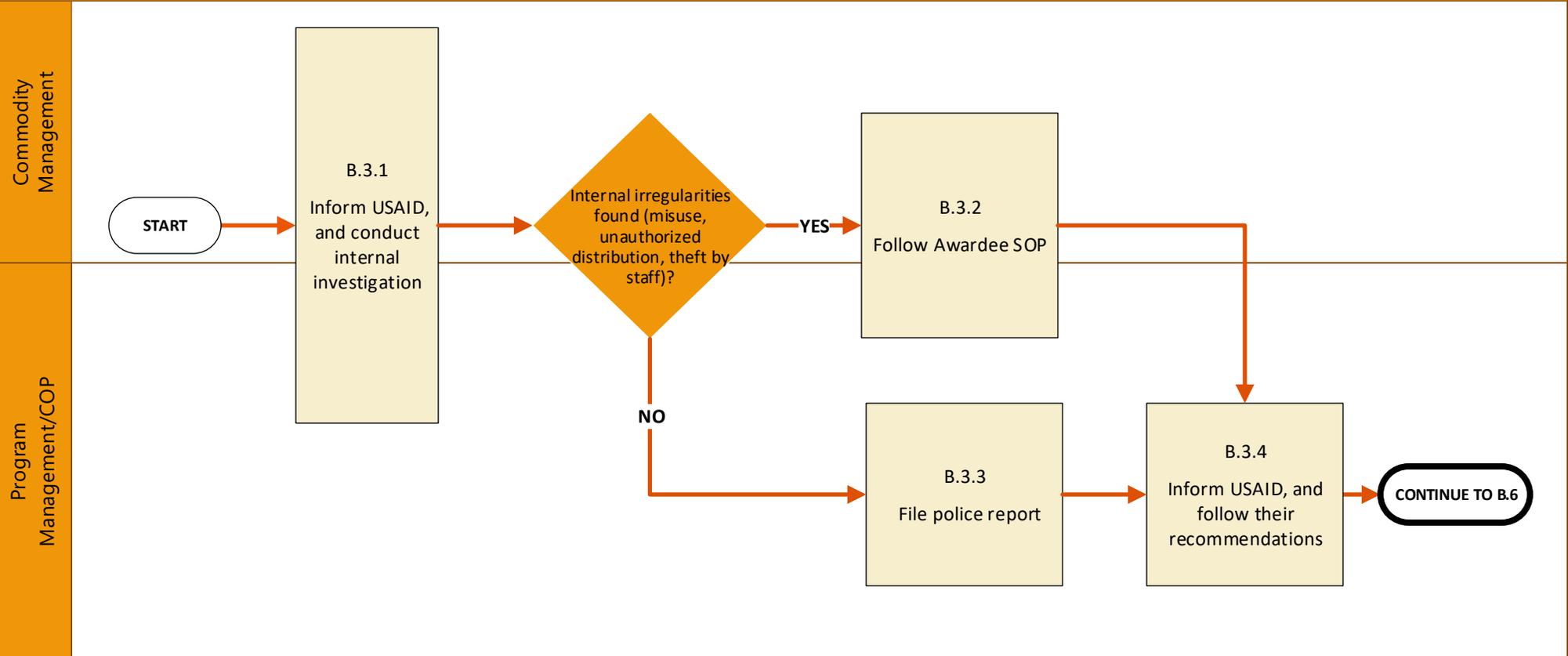
## B.0 INTERNAL LOSS

### B.2 Commodity packaging units are underweight



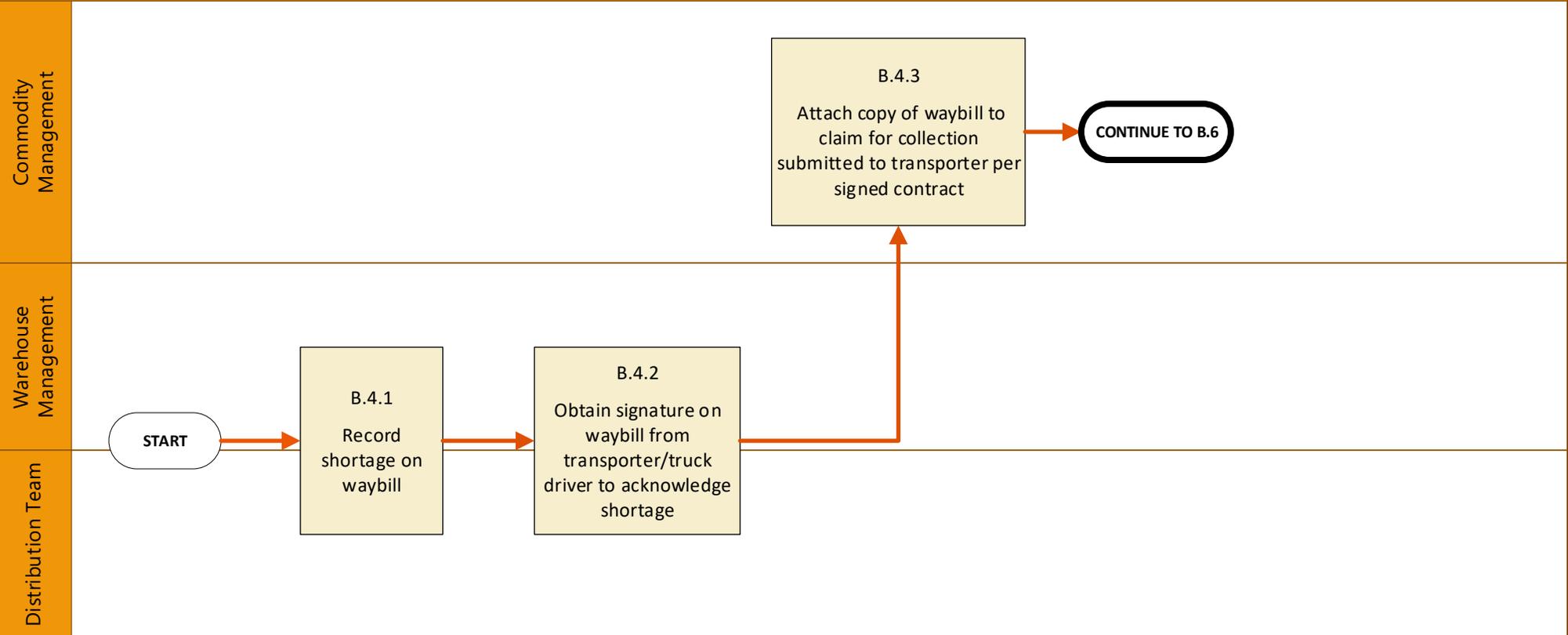
## B.0 INTERNAL LOSS

### B.3 Possible misappropriation of commodity



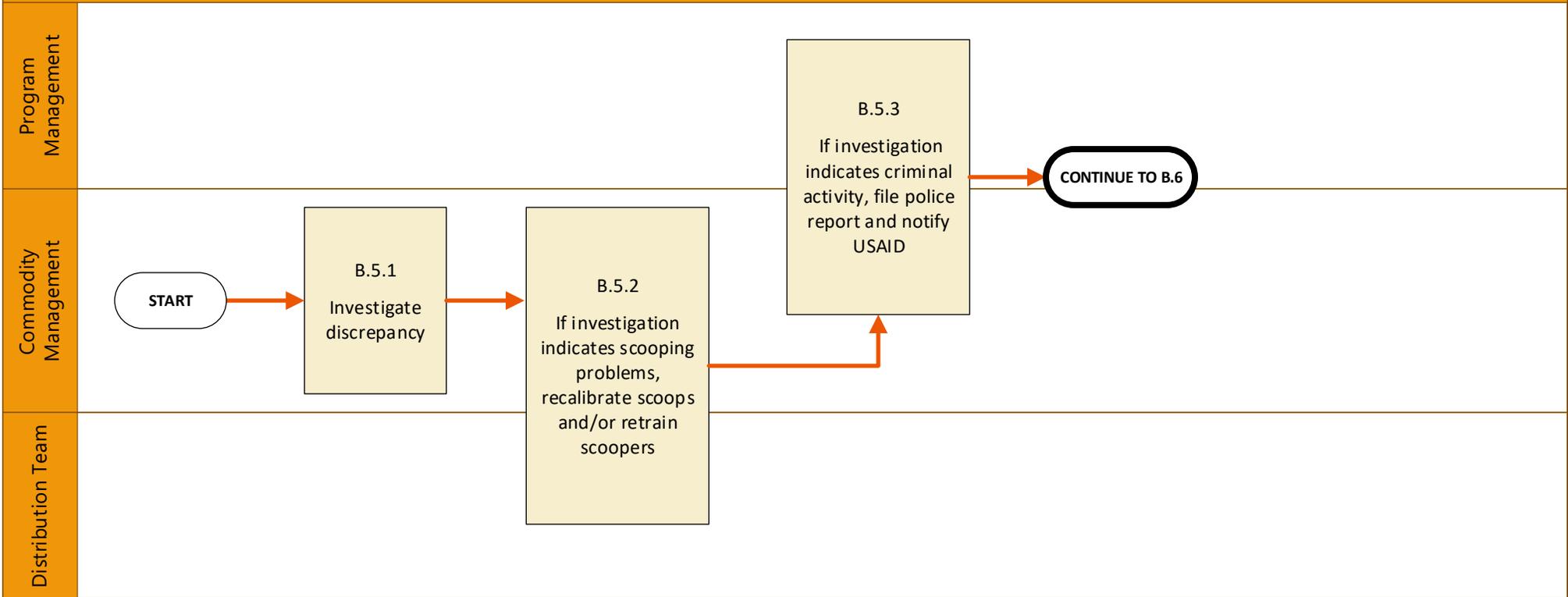
## B.0 INTERNAL LOSS

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



## B.0 INTERNAL LOSS

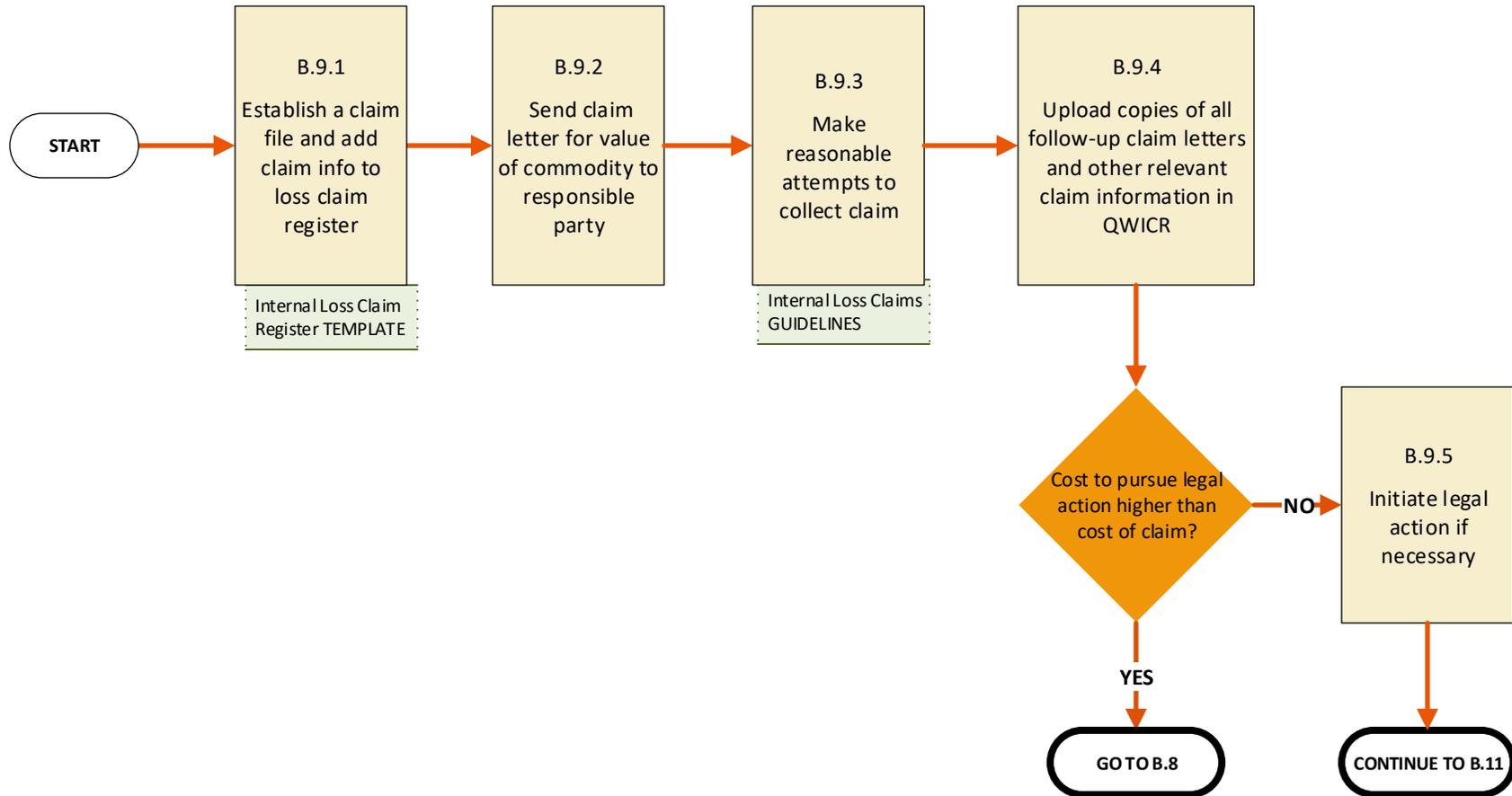
### B.5 Quantity of commodity received at distribution site $\neq$ quantity of commodity distributed or returned



## B.0 INTERNAL LOSS

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

Commodity  
Management



## 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 Graphics Standards Manual and Partner Co Branding Guide](#)

[USAID Regulation 11 \(22 CFR CH II\) Part 211](#)

[USAID Regulation 11 \(22 CFR CH II\) Part 226](#)

[Abbreviations and Acronyms](#)

[Glossary](#)

[References](#)

